



GOVERNMENT OF BERMUDA  
**Ministry of Finance**

# **NATIONAL ECONOMIC REPORT OF BERMUDA 2008**



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Ministry of Finance

NATIONAL ECONOMIC REPORT  
OF BERMUDA  
2008

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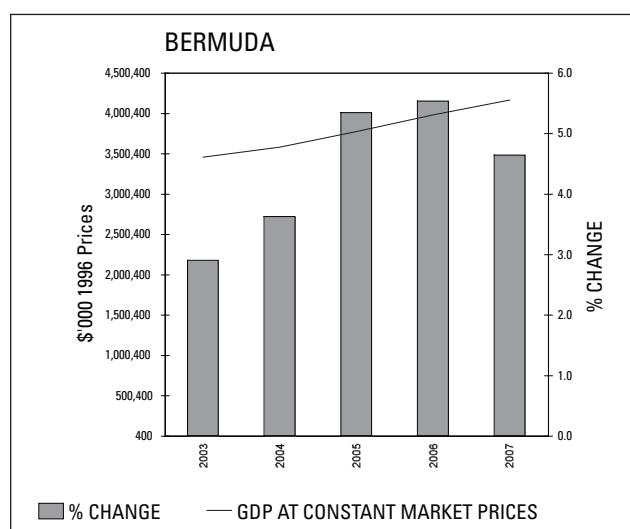


## I. GROSS DOMESTIC PRODUCT 2007

2007 is the most recent year for which official GDP data have been compiled for Bermuda. In 2007, the Bermuda economy expanded 9.4 per cent based on current market prices. Nominal GDP was reported to be over \$5.8 billion reflecting an increase of \$503.1 million over the revised 2006 estimate of \$5.3 billion. When adjusted for inflation, the level of economic activity or real GDP increased by 4.6 per cent. This growth rate remained above the five year average (2003-2007) of 4.4 per cent. This result exceeded the Ministry of Finance's forecast of real growth in the range of 2.5 per cent to 3.0.

The greater than expected expansion in the economy can be partially attributed to the addition of approximately 1,700 newly registered international businesses during the year.

**Figure 1**



The industry analysis of GDP provides useful information concerning the output of the 15 sectors of the Bermuda economy. Table 14 provides this information in constant dollars while Table 15 presents it in current market prices. Highlights of the larger industry sectors are summarized below.

In current market dollars, international business contributed the greatest amount to the expansion of the Bermuda economy in 2007. This sector provided \$1,593.0 million in total output which represents 27.2 per cent of total GDP or a 22.4 per cent increase compared to 2006. Value added from this industry contributed to more than half of the growth in Bermuda which accounted for 58.0 per cent of the total increase in GDP for 2007. Companies in the insurance and reinsurance industry are the biggest contributors to this

sector. Contributions to this sector also emanate from the trading operations of security and commodity brokerage, shipping, consultancy and other forms of international business activity. This sector is one of the main reasons for the growth in the economy. The ever increasing significance of international business to Bermuda's economy is reflected in the fact that this sector's share of GDP has grown from 19.5 per cent to 27.2 per cent over the last five years.

The financial intermediation sector was the second largest contributor to Bermuda's economy accounting for \$823.0 million in output. This represents 14.1 per cent of total GDP expanding by 11.3 per cent over 2006. This growth was associated with increased licensing, supervisory and incorporation fees collected from international business entities and higher credit demand.

The real estate and rental sector was the third largest contributor to GDP. This sector accounted for \$821.7 million in output or 14.0 per cent of total GDP. Growth in this sector was negative 0.4 per cent, far below the five-year average of 6.6 per cent. An excess supply of condominiums helped to level prices in the real estate sector from the 2006 level. The high cost of maintaining rental properties coupled with depreciation, resulted in the slight decline in value added for this sector.

The business activities sector provides professional and other services to the international business sector and benefited from increased demand for these services in 2007. The sector contributed \$550.8 million to the growth of the economy representing 9.4 per cent of GDP. Output in this sector advanced 9.0 per cent

The wholesale, retail trade and repair services sector represented 7.2 per cent of GDP in 2007 with an output level of \$424 million. This sector posted a gain of 6.1 per cent when compared to 2006. Growth was driven mainly by stores selling apparel, food and household appliances. Domestic retail sales and overseas spending grew at similar rates of 4.7 per cent and 4.9 per cent respectively.

The provision of education, health and social services has maintained its significant contribution to the level of GDP in Bermuda. This sector represents the sixth largest contributor to GDP at 6.0 per cent of the total. The 2007 contribution of \$353.8 million which increased by 8.0 per cent, was led by increased demand for both public and private health services.

The construction and Quarrying sector increased by 4.7 per cent and accounted for \$322.5 million in output for 2007. Construction activity for the year was focused primarily on building installation and completion work from projects that neared closure at the end of 2006. Both the private and public sector recorded increased building activity compared to 2006.

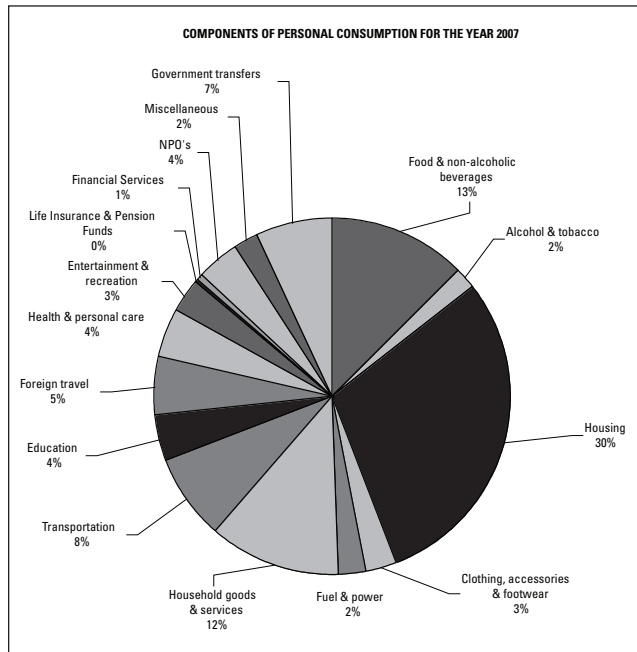
## II. THE BERMUDA ECONOMY IN 2008

Based on the available information at the time of printing, Ministry of Finance estimates that Bermuda's GDP expanded in real terms in the range of 2.0 to 2.5 per cent in 2008.

### Personal Consumption and the Retail Sector

The Office of the Tax Commissioner estimated that employment income rose by 10.0 per cent for the first three quarters of 2008 compared to the same period in 2007. Rising incomes tend to result in rising consumption which provides a positive contribution to GDP. For the 12 month period ending September 2008, total employment income was \$3.04 billion, \$311 million or 11 per cent higher than the 12 month period ending September 2007.

Figure 2



The most recent estimates by the Department of Statistics for household final consumption are for the year 2007. The total household final consumption for that year was \$2.71 billion which represented an increase of 4.4 per cent over 2006. This increase is above the 2007 annual inflation rate of 3.8 per cent, which indicates that the volume of goods and services purchased in Bermuda increased during that year.

While consumer expenditure estimates are not available for 2008, the Retail Sales Index (RSI) for the January to November 2008 period provides insight into the expenditure trends of consumers in Bermuda's retail stores. Other than the relatively strong performance in the months of February and April, the RSI shows that retail sales have been generally soft during 2008. After removing the effect of inflation, there were many months where retail sales volume declined vis-à-vis the same month in the previous year. Concern of the ongoing global economic slowdown continued to impact local consumer spending. In 2008, sales volume fell for nine of the eleven months of measured sales activity.

At the time of writing, gross turnover stood at \$1,026.8 million which represents a modest 2.1 per cent increase over the same period in 2007.

All Sectors in the RSI recorded increased sales levels for the reporting period of January to November 2008, apart from the building material stores, motor vehicle stores and apparel stores.

The service stations sector was the strongest performing sector within the RSI. The retail sales of this sector grew by 10.3 per cent in 2008. The gain in sales was the result of high fuel costs in the first three quarters of 2008. In the fourth quarter the increased sales levels began to weaken with November exhibiting negatives sales due to falling fuel prices.

Grocery store retailers had the next highest year over year percentage increase in retail sales. This sector has made consistent monthly gains since September 2002 which helped the food stores sector record increased sales of 7.7 per cent year over year. The 2008 increases were the result of reported hikes in the price of food throughout the year.

Liquor Stores and All other store types also posted positive sales levels in 2008. Liquor stores recorded year over year sales increases of 2.0 per cent. The steady increase in alcohol sales was responsible for the positive year in this sector.

All other store types, which include items such as furniture, appliances, electronics and pharmaceuticals, increased sales by 0.9 per cent in 2008. This sector's marginal sales gain arose largely due to increased spending on the above mentioned items.

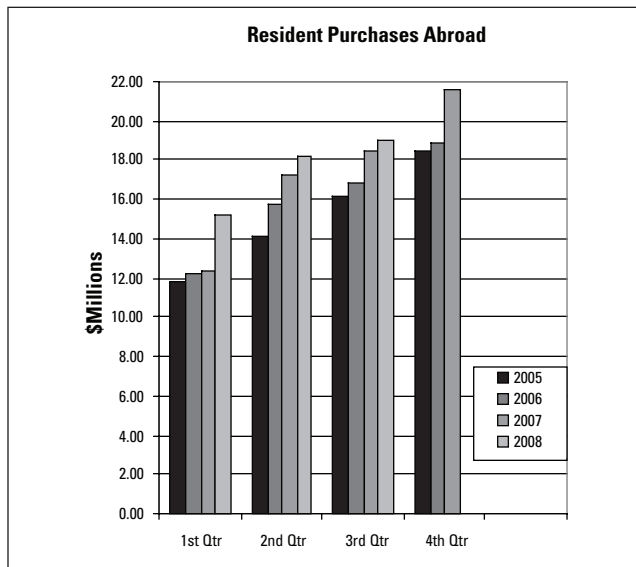
The number of residents traveling abroad decreased in the first three quarters of 2008 compared to 2007 from 77,763 to 66,929 representing a 13.9 per cent decline. During that time period overseas purchases declared by residents returning to Bermuda increased by 9.2 per cent from \$48.0

million to \$52.4 million year over year. The level of overseas purchases during the first eleven months of the year grew by 6.8 per cent year over year. However during the period of September to November 2008 overseas purchases declared by residents returning to Bermuda have decreased by 2.8 per cent compared to the corresponding 2007 period. This trend was likely the result of belt tightening by individuals as the global economic down turn was having an impact on consumer spending.

The declared overseas purchases during the year to November are equal to 6.4 per cent (6.2 per cent in 2007) of the estimated gross turnover in the local retail sector over the same time period.

Residents traveling overseas during the first three quarters of 2008 declared that 47.9 per cent of their overseas expenditure was on clothing and footwear and 8.3 per cent was spent on electronic and photographic equipment. The value of goods declared by returning residents does not include the significant amount of shopping performed by residents through mail order and online purchases over the internet.

**Figure 3**



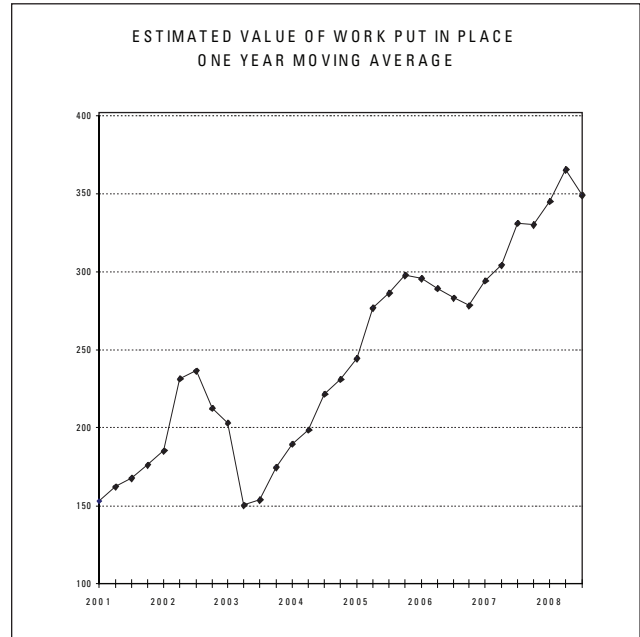
### Capital Formation and the Construction Industry

The construction industry remained very active over the first three quarters of 2008. The estimated value of work put in place over that time period increased by 7.1 per cent. The dollar value of the work put in place increased from \$267.9 million in 2007 to \$287.0 million in 2008. The value of new projects started rose by 3.9 per cent from \$163.3 million to \$169.7 million.

The construction of hotels and guest houses accounted for the majority of construction work completed 2008. The

value of this segment's work put in place represented 31.6 per cent of all construction activity recorded during the period. The development of offices, shops, and warehouses contributed 27.6 per cent of total activity in the industry. Work on residential construction projects added the next highest value of work put in place which accounted for 23.1 per cent of the total.

**Figure 4**



The most recent data for the residential construction sector was recorded in 2007. During that year 269 new units were created, which represented a decline of 35 units year over year. The units are arranged by studio apartments, one bedroom, two bedrooms and three bedrooms and over. Studio apartments increased by 8 unit or 26.7 per cent, one bedroom apartment's figures fell by 24 units (28.9 per cent), two bedrooms grew by 7 units (6.3 per cent) and three bedrooms and over declined by 26 units (32.5 per cent).

### External Demand

International business and tourism are Bermuda's primary sources of foreign exchange earnings. The Department of Statistics estimates that in the first three quarters of 2008 tourism and international business combined to provide at least \$1,915 million (excluding financial services which can not be calculated accurately) in foreign currency receipts, a 24.9 per cent increase year over year. The amount of foreign currency received from these two sectors of the economy represents 57.4 per cent of the total balance of payments current account receipts of foreign exchange.



## International Business

In terms of employment, the international business sector provides the highest number of jobs when compared to the other industrial sectors. In 2008 this sector provided 4,701 jobs which represent a slight increase of 12 posts or 0.3 per cent year over year. Some other indicators of performance in this sector for 2008 are given below:

- There were 15,201 international companies registered in Bermuda at the end of 2008, a decline of 177 companies or 1.2 per cent less than the total at the end of 2007.
- Over the first nine months of 2008, foreign exchange earnings of the international companies increased by \$427 million to \$1.5 billion representing a 38.7 per cent increase.

The sector provides benefits to the Bermudian economy by way of jobs for Bermudians, revenue for local businesses, providing business visitors that support the tourist industry, erecting buildings to support the construction industry and providing government with revenue from taxes and fees.

In total, 1,032 new exempted companies were incorporated in 2008, compared to 1,427 the year before representing a decline of 27.7 per cent. At the end of the third quarter of 2008, the total net asset value of collective investment schemes was \$196.30 million, a loss of 14.9 per cent year over year<sup>1</sup>. There was also a decrease of 24 mutual funds and unit trusts registered in Bermuda in the twelve months ending in September 2008.

Bermuda has a well established global international insurance market which had a substantial capital and surplus base of an estimated \$167 billion as at December 31, 2007. At that time aggregate total assets were \$441 billion compared to a figure of \$440 billion in 2006. Gross premiums written for the year totaled \$124 billion.

A total of 40 new reinsurers were established in the Bermuda market during 2008, as compared to 71 in 2007. This change is indicative of the general incorporation trends in the industry worldwide, and reflects the soft market conditions and global economic challenges which dominated most of 2008.

Overall, the Bermuda market has proven to be very resilient with regards to the impact of the global financial crisis. Those most directly impacted included financial guaranty firms, a sub set of the insurance sector, which experienced some challenges with exposures to sub prime investments.

As the crisis spread from sub prime into the markets generally,

the unprecedented volatility and declines experienced in the global financial markets during the second half of 2008 placed significant pressures on investment portfolios. This overall downturn generally affected financial firms in Bermuda and resulted in insurance sector losses equivalent to those derived from a major hurricane event.

Overall though, underwriting results for the Bermuda market remain strong, indicating continuing confidence in Bermuda's leadership position as an insurance centre globally, as well as in the jurisdiction's effective and practical regulatory framework. Based on Statutory Financial Returns filed with the Authority for 2007, the Bermuda market continued to enjoy strong results in terms of gross premiums written, which amounted to a total of \$124.3 billion for the year, surpassing the \$115.8 billion written the prior year. The market also recorded aggregate total assets of \$441.3 billion in 2007, maintaining similar significant levels achieved in the previous year.

Most of the new market entrants for 2008 were once again Class 3 insurers, a combination of captive and commercial companies. With respect to the commercial sector in particular, 2008 saw formation of two Class 4 companies. The greatest proportion of business came from the U.S. during 2008, with respect to both the captive and commercial markets.

## Tourism

The ongoing global economic slowdown has had a negative effect on the tourism industry in Bermuda for 2008. As expected, air arrival figures from the U.S. are down year over year which has caused the overall decline in visitor volume as the overwhelming majority of Bermuda's visitors originate from the U.S.. The number of cruise visitors has also been greatly reduced in 2008. However, these declines were expected as the traditional cruise lines have moved their older and smaller ships which serviced Bermuda to European and new emerging markets that the cruise lines have found to be more profitable.

The total number of air arrivals during 2008 decreased by 4.6 per cent year over year. The number of air visitors dropped from 305,548 in 2007 to 291,431 in 2008. Cruise passenger arrivals declined from 354,024 in 2007 to 286,408 a year later, which represents a reduction of 19.1 per cent. The total visitor arrival figures for 2008 fell by 81,733 or 12.4 per cent year over year. Visitor arrivals were down for the first three quarters of 2008 with a marginal increase of 0.5 per cent in

<sup>1</sup>Reporting categories for collective investment schemes have been revised and simplified from the BMA's previously published format.

the fourth quarter. Most source markets, with the exception of the U.S. market, produced more visitors than 2007. With Americans cutting back on expenditure due to the U.S. recession, air travel from that country declined by 9.5 per cent year over year. Events such as the International Race weekend, Bermuda Music Festival, PGA Grand Slam of Golf and the World Rugby Classic were not enough to produce the positive results that were sought. The cruise visitor statistics did not fare any better as the number of visits to Bermuda by the cruise lines decreased resulting in a reduction in cruise visitors of 19.1 per cent in 2008.

Hotel occupancy rates averaged 59.1 per cent in 2008 which is a decline of 11.9 per cent year over year. The small hotels experienced the highest rate of occupancy at 64.4 per cent which represents a growth of 12.4 per cent when compared to last years figures. The major hotels enjoyed the next highest occupancy rate of 61.2 per cent, an 11.4 per cent reduction year over year. Cottage colonies recorded the lowest occupancy rate for 2008 of 47.1 per cent which resulted in a percentage decrease of 15.3 per cent when compared to 2007 rates. This scenario is a repeat of 2007 when Small hotels experienced the highest occupancy rates and cottage colonies had the lowest.

Total visitor expenditure for the first three quarters of 2008 declined by 12.9 per cent year over year. During this time total expenditures by both air visitors and cruise visitors experienced negative changes. The dollar value of the total expenditure by air visitors was an estimated \$309.7 million, a reduction of \$42.8 million over the 2007 figures.

During the first three quarters, expenditure on air visitor accommodation and food shrank by 14.8 per cent, from \$276.6 million in 2007 to \$235.6 million in 2008. Similarly, the expenditure on shopping, entertainment and transport decreased by 23.7 per cent from \$75.9 million to \$74.1 million during that time period. From January to September, per capita spending by visitors arriving by air in 2008 was \$1,353 compared to \$1,449 in 2007, a decline of 6.6 per cent. Expenditure by cruise visitors in the first three quarters of 2008 compared to 2007 shrank from \$61.4 million to \$50.7 million, a 17.4 per cent reduction. Spending per cruise visitor during that time period was \$205, up 3.5 per cent year over year.

Due to the islands proximity to the east coast of the United States, the vast majority of tourists that travel to Bermuda originate from the U.S.. With direct flights from cities such as New York, Philadelphia, Atlanta and Miami, along with an average flight time from these locations of less than three hours, it is not difficult to understand why the U.S. is Bermuda's main source of visitors. However, the trend over

the past several years indicates that the percentage of U.S. visitors has slowly declined as tourists from countries such as Canada and the UK have increased their proportion. The only break in this trend occurred in 2006 when the percentage of visitors from the U.S. grew slightly. The percentage of air visitors from the U.S. for 2008 continued this trend by declining from 75.1 per cent last year to 71.3 per cent. The UK was the second largest market at 11.5 per cent of the total visitors, while Canada finished the year with a percentage total of 10.6 per cent. The rest of the world weighed in at 6.6 per cent. It is interesting to note that with the exception of the U.S., air visitor arrivals increased from all other countries in 2008.

## Employment

Based on the preliminary 2008 employment data, the total number of jobs in Bermuda increased by 217 from 39,851 in 2007 to 40,068 in 2008, an increase of 0.5 per cent.

The Public Administration sector recorded the greatest increase in the number of jobs of any industrial sector. This sector's employment numbers rose to 4,223 in 2008 from 4,113 in the previous year. These 110 jobs equated to a hike in employment of 2.7 per cent. The construction sector recorded the next highest increase in the level of employment in 2008. The amount of jobs in this sector rose by 2.8 per cent to a total of 3,644 which is 100 jobs more than in 2007.

The Hotel sector experienced the next highest level of growth in employment. This sectors employment levels rose from 2,965 in 2007 to 3,046 in 2008, representing an increase of 81 jobs and growth of 2.7 per cent year over year.

Although the net change in total employment during 2008 was a positive one, six of the sixteen major divisions of economic activity recorded a loss in the number of jobs at the end of the calendar year. The sector which recorded the largest loss of jobs was transportation & Communications. The reduction of 155 positions exceeded any other sector's losses by 94 posts. The loss represents a decline of 5.6 per cent year over year.

There were two occupational groups that recorded major increases in the number of filled jobs in 2008. These were the Professionals group and the Service workers and Shop and Market sales workers group. The Professionals group experienced the largest job growth at 241 positions. This group ended 2008 with 7,526 jobs compared to 7,285 posts at the end of 2007 which represents an increase of 3.3 per cent. The Service workers and Shop and Market sales workers group added 234 posts during 2008 ending the year with 7,552 positions, an uptake of 3.2 per cent year over year.

Unfortunately, there was one occupational group that experienced a large reduction in the number of jobs during the year. The number of posts in the Technicians and Associate Professionals industry fell from 3,066 in 2007 to 2,925 in 2008, a decrease of 141 positions or 4.6 per cent year over year.

The job movements experienced in the major occupational groups tend to correspond with the changes experienced in the economic activity sectors.

Based on the data on the job market in Bermuda, there were two sectors of the economy that contributed significantly to the overall job growth in 2008. Collectively, Public Administration and the Construction sector added 210 new jobs to the economy. This figure represents 97 per cent of the net figure of 217 new jobs that were created in 2008.

The largest number of jobs in Public Administration can be found in the Professionals occupational group. There is a high correlation as both groups exhibit the highest number of new jobs in 2008. Similarly, the largest number of jobs in Construction sector can be found in the Craft and Related Trades Workers occupational group. This correlation is illustrated as both groups experienced positive new employment figures in 2008.

## **Inflation in Bermuda**

Throughout 2008 fuel prices drove inflation to higher levels during most of the year. The easing of those prices in the later months helped to ease pressures on consumer prices.

### **January**

In January, the CPI rose slightly to 105.4 representing a marginal increase of 0.1 per cent. The leading indicator was Food prices, which led the group with a 1.5 per cent increase from December, 2007. Tobacco and Liquor followed with a smaller increase of 1.0 per cent. Energy prices experienced the smallest increase in the index. The Transport and Vehicles subset actually fell 1.3 percentage points.

### **February**

The Consumer Price Index rose by a marginal 0.2 per cent from January to February reading of 105.6. Most commodity subsets posted slight month-on-month increases ranging from 0.2 per cent to 0.4 per cent. Two subsets Health and Clothing were unchanged.

Fuel and Power, however, jumped 2.8 per cent for this period. The increase was a direct result of higher electricity costs as the fuel adjustment clause rose 2.1 per cent for the month.

### **March**

The CPI rose dramatically in March following other leading economies such as the U.S. and Canada. The CPI rose 1.3 per cent to 107.0. The rise was primarily due to sharp increases in the Transport and Vehicles, Tobacco and Liquor, and Fuel & Power subsets of the price index. The sector prices climbed 7.6 per cent, 2.8 per cent, and 1.2 per cent, respectively.

March, 2008, was a record setting month for prices across the globe, as energy prices continued to spiral upwards dragging Food and other energy related costs along. Many nations (including Bermuda) experienced unprecedented spikes in import prices. This was seen in the Transport and Vehicles sector where a weakened U.S. dollar also added to inflationary pressures.

### **April**

Inflationary pressures continued to mount through April. The index rose to 108.6, a 1.5 per cent increase over March. Inflation pressures were evident across all but one subset of the CPI. Clothing and Footwear and Health care costs lead the index increase, posting increases of 7.3 per cent and 5.1 per cent, respectively. Transport and Vehicles and Tobacco and Liquor also continued to drive the index upward, increasing 2.5 per cent and 2.9 per cent, in that order

Internationally-induced inflation pressures were not restricted to Bermuda. In fact, higher world oil prices (that fed into domestic retail oil prices) and the global pass-through of higher production costs resulted in continued upward adjustments in the prices of non-food and non-energy items in many countries.

### **May**

The acceleration in inflation eased in May. The CPI inched up to 108.9, a slight increase of 0.3 per cent over April. The rise continued to be driven by the energy sector. The largest driver behind in May's CPI increase was Fuel and Power, which rose 2.0 per cent.

In passing, it should be noted that in Bermuda, May's index increase diverged from the linkage with Canada and the U.S.. Both recorded record jumps for May in their respective price indices. However, for all three economies, the energy prices continued to be the main cause of the spurt in the CPI.

### **June**

Inflation moderated over the months of May and June. The CPI edged up to 109.2 in June increasing 0.3 per cent from May. Fuel and Power accelerated slightly by 0.4 per cent. A similar

increase was seen in the Tobacco and Liquor segment.

Food, though, led the index with a 1.5 per cent increase. High worldwide demand for agricultural products drove up the price of such staples as wheat and rice. These changes generated inflation concerns in many economies. Among these was Japan—traditionally beset with deflationary tendencies.

## July

In July, the CPI posted a month on month increase of 0.5 per cent rising to 109.8. The rise was primarily attributed to an unprecedented spike in the Fuel and Power segment of the index. The spike tracked—once again with record inflation rates in the regional economies of Canada and the U.S. Both economies continued to grapple with rising prices for Food, gas and clothing.

## August

In August, the pace of inflation was maintained at a steady rate, increasing just 0.3 per cent from 109.8 to 110.1. The CPI registered no change in the Fuel and Power component as world energy prices began to decline.

The 0.3 per cent increase was mainly driven by a 1.0 per cent increase in Food prices. The latter continued to be pushed upward by higher production costs and increasing demand for grain in the world-wide bio-diesel industry.

## September

The CPI posted a strikingly sharp increase of 1.1 per cent, rising to 111.3 in September. The index moved in an opposite direction to the regional consumer price indices of the U.S. and Canada. Both countries actually saw their indices retreat in the month, owing to falling world oil prices.

The rise in the CPI was notably driven by an acute jump of 14.0 per cent in Fuel and Power prices for consumers. This was due to the Fuel adjustment clause that allows the pass through of additional cost burdens directly to Consumers. As such, Bermudians did not feel the relief in energy prices that their regional counterparts—the U.S. and Canada—felt for September. Additionally, education costs rose substantially. As the new academic year began, consumers were faced with increased tuition costs, both domestically and in the U.S. and Canada.

## October

In October, there was no absolute change in the CPI level. The index remained constant at 111.3. The Food component of the index increase by 2.0 per cent, as global food prices

continued to increase. The rise in the latter was offset by a large drop in Transport and Vehicle of 3.4 per cent. This was due, in part, to receding world oil prices and a strengthening U.S. dollar.

Canada and the U.S. both reported historic declines in their respective CPI's for October. A mass slowdown in U.S. economic activity began to undercut inflationary pressures.

## November

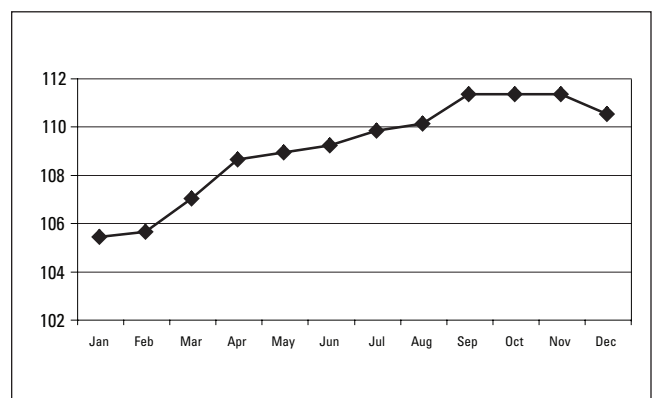
In November, the CPI remained constant at 111.3. Prices across the CPI components showed very small increases. These were all offset by a 1.1 per cent drop in Transportation and Vehicles. The changes in the Bermuda CPI mirrored those in Canada and the U.S. In both countries, recessionary pressures continue to dampen inflationary pressures.

## December

Bermuda's Consumer Price Index came in at 110.5 in December. It was down from 0.7 per cent the 111.3 index levels recorded in both October and November. The December decrease was due to a sharp decline in the price of gasoline.

Reflecting on the behavior of the Bermuda CPI over the entire year 2008, one can see readily the critical role played by imports. This was especially true of Fuel and Power, Tobacco and Liquor, and Food. The associated percentage increases were 27.3, 11.2, and 9.1, respectively. In comparison, the total CPI rose by 4.9 per cent in 2008. At the opposite extreme, Rent increased by only 2.6 per cent last year. This outcome was determined almost by purely Domestic factors.

**Bermuda's Consumer Price Index**  
January 2008 – December 2008



## Balance of Payments

Bermuda's current account surplus was recorded at \$1,163 million at the end of the third quarter of 2008. Although current account surplus has shown favorable results over the first three quarters of the year, the downturn in the global economy should begin to show some effects in the fourth quarter. As a result, current account receipts are not likely to be as large as they would have been under normal economic conditions. Therefore, the fourth quarter figures are expected to be flat year over year resulting in a full year surplus in the region of \$1.3 billion for 2008.

The net balance in the current account rose by \$334 million from \$829 million during the first three quarters of 2007 to the previously mentioned figure of \$1.2 billion in 2008. This represents an increase of 40.3 per cent year over year. This increase was due in large part to the international business sector.

The overall strength in the Balance of Payments surplus is due primarily to the growth in salaries and wages received from the international business sector. Bermuda continues to earn increasing amounts of foreign exchange earnings through its provision of a skilled labor force to the international business sector as well as the provision of professional banking, finance, management and legal services. Over the first nine months of 2008, the salary and wage net receipts for international business increased by \$396 million to reach \$1,152 million.

The trade deficit on goods increased from \$798 million over the first three quarters of 2007 to \$860 million over the same time period in 2008. This 7.8 per cent increase is the result of increased imports due to expanding consumer demand and the high level of capital investment in the economy over the first nine months of the year.

## Interest Rates in Bermuda

In Bermuda, the level and pattern of changes in interest rates are set by the leading domestic banks. In establishing these rates, the Banks are influenced primarily by the demand for credit by businesses and consumers and the availability of Bank Reserves to back the extension of loans.

Moreover, because the Bermuda Dollar is pegged to the U.S. Dollar, interest rate changes in Bermuda, at least historically, have closely paralleled similar changes in the United States. This has been especially true with respect to changes in the Federal Funds Rate set by the U.S. Federal Reserve Open Market Committee (FOMC) and the Bermuda dollar base rate which is set by the commercial banks. The level of lending

rates set by Bermuda Banks from 2005 through 2008, along with the U.S. Federal Funds Rate, is shown in the following Chart of comparative rates.

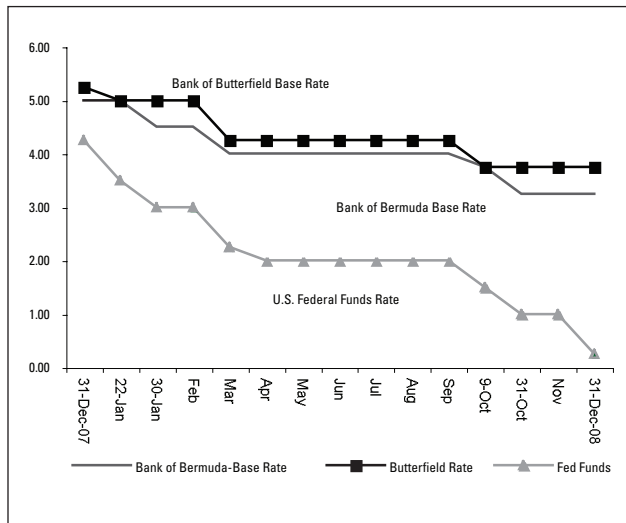
**Chart: Comparative Interest Rates**

Year And Quarter	Bank of Bermuda	Bank of Butterfield	U.S. Federal Funds
I-05	4.25	4.25	2.75
II-05	4.25	4.25	3.25
III-05	4.5	4.25	3.75
IV-05	5.00	4.75	4.25
I-06	5.00	4.75	4.75
II-06	5.00	5.00	5.25
III-06	5.00	5.25	5.25
IV-06	5.00	5.25	5.25
I-07	5.00	5.25	5.25
II-07	5.00	5.25	5.25
III-07	5.00	5.25	4.75
IV-07	5.00	5.25	4.25
I-08	4.00	4.25	2.25
II-08	4.00	4.25	2.00
III-08	4.00	4.25	2.00
IV-08	3.25	3.75	0.25

Source: Data from: (1) Bank of Bermuda-HSBC; (2) Bank of Butterfield; (3) Federal Reserve Bank of New York

In retrospect, during 2008, the Bermuda Banks did not reduce their interest rates as frequently as the Federal Reserve rates were cut. Nor were the rate cuts as large. For example, in the fourth quarter of 2007, the Federal Funds rate was 4.25 per cent. At the same time, the Loan Rate at Butterfield was 5.25 per cent, and Bank of Bermuda's Base Rate was 5.0 per cent. The Bermuda-Federal Funds rate spreads were 1.00 and 0.75 per cent, respectively. By the end of 2008, the Federal Funds rate had been reduced to 0.25 per cent. Butterfield's rate was 3.75 per cent, a gap of 3.50 per cent. Bank of Bermuda's Base Rate was 3.25 per cent—a gap of 3.0 per cent.

**Bermuda Dollar Interest Rates  
Versus the U.S. Federal Funds Rate  
December 2007 – December 2008**



As is generally known, the Federal Reserve began cutting the Federal Funds rate in the third quarter of 2007. Its objectives were to reduce interest rates generally, to increase the availability of credit, to help end the impending recession and to set the American Economy on a path of sustained recovery.

Nevertheless, despite the Federal Reserve’s vigorous actions, the recession in the United States has become deeper, more widespread, and is likely to last much longer than was expected as recently as the end of 2008. On the other hand, the Federal Reserve, as the U.S. Central Bank, has committed itself to provide as much liquidity as needed—to return the economy to prosperity.

**III. 2009 GLOBAL ECONOMIC OUTLOOK**

The United States which triggered the recession in 2007 might see a 2.5 per cent decrease in real GDP in 2009. Moreover, the current recession may last for as long as five quarters.

Many other countries are also experiencing recessions. This is especially true of most of the highly developed industrialized nations.

The United Kingdom, Japan, Germany, Canada, France, Mexico, and the Eurozone are projecting economic declines in 2009 in the range of 0.4 to 1.8 per cent.

At the opposite end of the spectrum, all of the countries which expect to achieve positive growth next year can be characterized as emerging economies. Among these are China, 7.1 per cent; and Brazil, 2.1 per cent growth in GDP.

The trough of the recessions may be reached in most countries in 2010. However, when recovery does get underway, the subsequent expansion is likely to be quite slow and shallow.

**IV. 2009 OUTLOOK FOR BERMUDA**

Against this background, it is anticipated that 2009 will be a very testing time for the economy of Bermuda. The global economic and financial debacle that originated in the U.S. with the collapse of the housing market has and will continue to negatively affect the country. The U.S. is Bermuda’s largest trading partner and over 70 per cent of the visitors that come to the Island originate from the U.S. With most indicators suggesting that the U.S. economy will worsen in 2009, the implications for Bermuda are for a slowdown in economic activity.

There will be slower growth in external and domestic sectors of Bermuda’s economy. A snapshot of the external sectors reveals that there is the potential for a downturn in visitor arrivals with the most optimistic view being a repeat performance of the 2008 statistics. It is also believed that there will be slower growth in the islands international business sector in 2009.

A synopsis of the domestic sector of the economy in 2009 indicates that there is the possibility of a slowing down in employment income, retail sales and construction. On the other hand, with the decline in oil prices inflation pressures should abate in 2009.

From a tourism perspective, it is anticipated that the deteriorating global economic climate will dampen leisure travel. Visitor arrivals were down 4.6 per cent in 2008 and are likely to decline further in 2009. Hotel occupancy rates were down 12 per cent and retail sales slowed. These trends are also expected to continue in 2009. The world financial markets will be a challenge for new hotel developers as it is harder to raise financing and there will be higher costs of credit than before the global financial crisis began. These developments will culminate in a flat to negative contribution to GDP from the tourism sector.

In the international business sector slower but positive growth is anticipated in very challenging circumstances. Some companies are still at risk of sub prime losses while investment returns on portfolios have declined and remain depressed. Added to this is the fact that declines in the net profits of most international companies are expected in the near term. There is a low prospect of employment increases

in this sector for 2009. Over the last several years, the international business sector has had the highest number of new jobs of all sectors in the economy. However, in 2008 the increase in jobs was minimal and the numbers are expected to be similar in 2009. As a result, it is anticipated that international business will continue to drive the economy and provide the largest positive contribution to GDP for the foreseeable future.

Turning to the domestic sector, a rise in unemployment is expected in 2009. There is already evidence of this in the retail, hotel, telecommunications and the financial service sectors. Higher unemployment will give rise to lower levels of employment income with the potential for some cutback in consumer spending. This may have a negative effect on retail sales with the likelihood that sales will slow further in 2009.

Inflation had accelerated over the course of 2008 but has begun to abate in the wake of the drop in oil prices. If oil prices remain low, the level of the CPI should continue to fall. As of December, the CPI 12 month average rate was 4.8 per cent. The expected level of the CPI for 2009 is in the range of 3.7 per cent to 4.0 per cent.

The construction industry remained active over the first three quarters of 2008 with the estimated value of work put in place during that time increasing by 7.1 per cent and the value of new projects started up by 3.9 per cent. However, in 2009 there is likely to be reduced construction activity following the completion of various major projects. The Government is providing stimulus to this sector with projects such as the Hamilton Police Station and Magistrates Court and Loughlands which are in process. Anticipated Government projects which should come on line in 2009 include the Tynes Bay expansion and several housing initiatives.

Taking all of the data into account, GDP in 2009 is projected to decline in the region of 1.0 to 1.5 per cent with the anticipation of a recovery in 2010 should there be an improvement in global economic and financial conditions.

## V. APPENDIX

### **A Detailed Look at the U.S. Economy and the Obama Stimulus Package by Dr. Andrew Brimmer**

#### **Economic Trends and Prospects for the American Economy 2007–2010**

##### **I. Introduction: Recession in Progress**

When President Barack Obama was inaugurated on January 20, 2009, the American Economy was sinking beneath his feet. In every direction he looked, he saw the Main Springs of Economic Growth plunging downward. Both the magnitude and pace of decline were accelerating. The Economic Situation, as demonstrated in the Fourth Quarter of 2008 was particularly distressing.

Gross Domestic Product (adjusted for Inflation – Real GDP) decreased at an annual rate of 3.8 per cent in the Fourth Quarter of 2008. Most of the principal components of GDP also changed in the wrong direction: Personal Consumption Expenditures (which normally account for over two-thirds of the National Economy) declined at the annual rate of 3.5 per cent. Fixed Investment fell by 20.1 per cent. Government outlays (at both the Federal and State and Local levels) rose by 1.9 per cent – considerably slower than the increase set earlier in the year. In most periods during the last few years, United State's exports of goods and services have exceeded imports. This was true in the first three Quarters of 2008. But the situation reversed in the closing months – when the net gain was only 0.9 per cent.

Looking beyond these broad changes sketched above, Economic Developments in the Fourth Quarter also had severely negative effects in the American Labor Market. Between the end of September and the end of December last year, the Civilian Labor Force shrank by 174,000 (from 154,621,000, to 154,447,000). This was a decrease of 0.11 per cent. Many workers became discouraged by Recession conditions and left the Labor Market. The level of Employment decreased from 145,029,000 to 143,338,000. This was a reduction of 1,691,000 (1.17 per cent). Over the same period, Unemployment rose sharply. From 9,592,000 at the end of September, the number climbed to 11,108,000 at year end. This was an increase of 1,516,000 – or 15.8 per cent in just three months. Paralleling these changes, the Unemployment Rate rose from 6.2 per cent in September to 7.2 per cent in December 2008.

## **The Road Ahead:**

### **Economic Prospects for the United States, 2009–2010**

As indicated above, the American Economy is already in a Recession, and the decline of National Output is likely to be deeper and last longer than was expected even a few months ago. In general dimensions, the U.S. Economy will probably shrink for at least four-quarters, and Total Output may decrease by almost 2.50 per cent.

However, before proceeding further, we should remind ourselves that the task of forecasting the course of a National Economy (especially in the case of one as large and as complex as the American Model) poses enormous challenges. From the perspective of formulating National Economic Policy, the task is one that must be undertaken.

The U.S. economy is expected to decline by at least 1.6 per cent in 2009. However, much larger quarterly decreases are also projected. The changes are as follows: 2008, third quarter, –0.5; fourth quarter, –3.8; first quarter, 2009 –3.3; and second quarter, –0.8. If these estimates materialize, a four-quarter recession would result. (In passing, it should be noted that some more pessimistic Economist expect the recession in the U.S. to last for five quarters.)

Regarding GDP components Real Personal Consumption (PCE) in 2009 may decline by 3.3 per cent. Therefore, it is poised to register the weakest performance since the 1990-91 recession. Last year, such outlays showed virtually no increase – edging up by only 0.3 per cent. In fact, consumer spending was a drag on the overall economy in the last half of the year. During the third quarter, consumer outlays decreased at an annual rate of 3.8 per cent. In the final three months, the cut back still amounted to -3.5 per cent.

During the course of 2009, Personal Consumption Spending is projected to decline by 1.1 per cent. In the First Quarter, the decrease might be shaved to an annual rate of 1.5 per cent. A sluggish performance of 0.2 per cent is expected in the April-June period. The shrinkage in Consumer Expenditures is expected to end next summer. A gain (at an annual rate of 1.3 per cent) is predicted to occur in the Third Quarter – followed by a rise to 1.9 per cent in the final three months of 2009. For all of 2010, Consumers' Spending may rise by 2.1 per cent.

The expected decrease in Consumer Spending will mirror virtual stagnation in Disposable Personal Income. In 2008, Income after taxes rose by only 1.0 per cent. In the current year, the increase may be 1.3 per cent. The stagnation in Household purchasing power will reflect a combination of negative developments: sharply rising Unemployment; a



marked slowdown in the Growth of Wages and Salaries, and the reduction in Household Wealth because of the drop in Home Values and Stock Prices over the last year or so.

The continued drag on the Nation's Economy imposed by cutbacks in Consumer Spending is particularly evident in the case of Automobiles. Last year 13.1 million cars and light trucks were sold in the United States. This was a decrease of 3.0 million, compared with the 16.1 million vehicles bought in 2007. The reduced level was equal to an 18.6 per cent decline in total sales. In 2009, the American Automobile industry will face another difficult year. About 2.2 million fewer vehicles may be sold in 2009 compared with a year ago. This figure would represent a further decrease of 16.8 per cent. In 2010, only a slight pick-up in sales is anticipated.

Gross Private Domestic Investment, under normal conditions, constitutes a major source of support of the Economy. Fixed Investment is the largest component of this category – usually accounting for more than 98.0 per cent of the total. (Changes in Private Business Inventories account for the rest.) Fixed Investment is further divided into Nonresidential (i.e., Business) and Residential (Housing) Outlays.

Over the last year or so, the behavior of these two major types of Fixed Investment has diverged noticeably. For example, in 2007, Nonresidential Investment (consisting of Building and Other Structures and Equipment and Software) amounted to \$1,403 billion. Last year, the level edged up to \$1,408 billion – a gain of only \$5 billion. In sharp contrast, Residential Investment (composed almost entirely of Homebuilding and Improvements) dropped from \$445 billion in 2007 to \$359 billion in 2008. This was a decrease of \$86 billion, or 19 per cent. These latter figures provided additional documentation of the passing of the Housing Boom.

Looking ahead, housing will continue to be a depressed sector of the American Economy through all of the current year. In 2007, the number of Housing Starts was 1.46 million in second quarter of that year. In the summer months, a slide began which has continued over sense. On an annual basis, the down trend was from 1.34 million units in 2007 to 0.92 million in 2008. A further decrease to 0.61 million units is projected for 2009. A modest gain (to 0.80 million) is anticipated in 2010.

Moreover, no real recovery in the Housing Market is expected for the next few years. The continued drop in Home Prices, the still rising number of Home Foreclosures, and the reduced availability of Mortgage Credit will combine to retard the revival of the Housing sector. Consequently, there is virtually no chance that Housing will make a meaningful contribution to ending the Current Recession.

During 2009, the U.S. Economy is likely to get less relative Support from the Foreign Sector. Such Support is indicated by the level of Net Exports. The latter, in turn, is measured by Total Exports minus Total Imports. In 2008, U.S. Net Exports were estimated at - \$388.0 billion, down from - \$707.8 billion the year before.

United States Net Exports may decreased to - \$355.0 billion in 2009. Total U.S. Exports will probably decrease noticeably, but Imports into the U.S. may decline at a greater percentage rate.

The expected reduction in U.S. Exports will be due primarily to less Foreign Demand as the World Wide Recession spreads to virtually every Other Country. The deepening Recession in the U.S. will also cut down on that Country's Imports. As a result, the Foreign Trade sector will be less of a drag on the overall performance of the American Economy in 2009. In 2010, the U.S. Export-Import situation is expected to be roughly a repeat of that anticipated in 2009.

The already distressed Employment situation in the United States will most likely deteriorate further well into 2010.

In December, 2007, there were 153,836,000 people in the U.S. Civilian Labor Force. Employment stood at 146,294,000. Unemployment amounted to 7,541,000. The Unemployment Rate was 4.9 per cent. A year later, the Labor Market Profile had changed as follows: Labor Force, 154,447,000; Employment, 143,338,000; and Unemployment, 11,108,000. The Unemployment Rate had risen to 7.2 per cent.

During 2009, the Civilian Labor Force may grow by 0.35 per cent (about three-fifth's of the Long-Term Growth rate of 0.60 per cent). If so, there would be 155,060,000 in the Civilian Labor Force in December, 2009. If the Unemployment Rate were to rise to 8.4 per cent in the Fourth Quarter (as Blue Chip Indicators has forecast), there would be 13,025,000 people Unemployed. The level of Employment would have shrunk to 142,035,000. This latter figure would represent a loss of 1,303,000 Jobs over the next 12 months.

If the overall economic situation continues to deteriorate through the Second Quarter of 2010 (as Forecasters expect), only slight improvement in labor market conditions should be anticipated. Currently, Forecasters estimate that the Unemployment Rate may still be as high as 8.0 per cent in December 2010. By that time, the U.S. Civilian labor Force may have risen to 155,676,000. Against those Benchmarks, Employment would amount to 143,222,000, and 12,454,000 persons would be unemployed.

In summary, given the forecast of the U.S. Economy for the two years 2009 and 2010, Labor Market Conditions would have

achieved no net improvement. During the first year (2009) Total Employment would have decline by 1,303,000. During the second year (2010), Employment would have increased by 1,187,000. However, over the two years combined, Total Employment would have decreased by 116,000. Moreover, the level of Unemployment would have risen by 1,346,000. In other words, the net increase of 1,229,000 in the Labor Force (conceptually speaking) would end up in the Unemployment Lines. The 116,000 net job losses can also be thought of as joining them.

As an aside, it appears that the \$800–\$900 billion American Reinvestment and Recovery Plan that President Barack Obama has advanced to stimulate the American economy may not be enough to end the recession and restore the American Jobs lost during the current downturn. The stated objective of the President’s Stimulus Package is “to save or create 3.0 million Jobs by the end of 2010. This goal implies that Total Employment on that date would have to be in the neighborhood of 146,500,000. To reach that level of Jobs would require a considerable stretch.

The highlights of President Obama’s recovery programme are summarized in the next section.

### **Implementing President Obama’s Stimulus Programme**

During the Election campaign, Senator Obama ran under the banner of “Change: Yes We Can.” He put forth a number of proposals to translate his Vision into Reality. Five of these constituted the main elements of his Economic Agenda: (1) Adopt a “Sizable” Economic Stimulus Package; (2) Press for Energy Independence; (3) Improve Health Care; (4) Provide a Middle Class Tax Cut, and (5) Improve Education.

Following the November 4, 2008 vote, President-Elect Obama’s Staff worked almost around-the-clock in an effort to craft a Plan that he could send to Congress before the end of January, 2009. As the Staff began its tasks, Obama told his Transition Team to be BOLD in their planning. He also set Short-and-Long-Term themes in choosing the Plan’s Components: “Creating jobs for people who need them, and doing things that need to be done to lay the foundation for an economy that works for middle-class families.”

By Christmas, President-Elect Obama’s Stimulus Blueprint had been sketched, and some of the details had been pinned down. He had agreed to five main areas of Spending and Tax Breaks: (1) Support for the Poor and Unemployed; (2) Health; (3) Education; (4) Infrastructure; and (5) Energy.

Shortly after the turn of the New Year, Obama’s Senior Advisers began to discuss his Plan with the Democratic

Leadership of the U.S. Congress. The discussions in the House of Representatives (under the Leadership of Speaker Nancy Pelosi) advanced most rapidly. As a result, on January 15, 2009, the House’s Plan was unveiled in response to President-Elect Obama’s call for a substantial Stimulus Package to end the Recession and launch the Country’s Economy on the path of sustained Growth. The \$825 billion Fiscal Recovery Plan aimed to put millions of unemployed Americans back to work over the next two years.

The major components of the House’s Plan were: Tax Cuts for Individuals and Businesses (\$275 billion); Aid for Unemployed and Needy (\$106 billion); Aid to the States (\$119 billion); Spending for Education (\$117 billion); Infrastructure Projects (\$90 billion); Energy Investments (\$54 billion); Investments in Science and Technology (\$16 billion); and, Spending in Other Projects (\$48 billion).

### **Obama: American Reinvestment and Recovery Plan**

On January 24, 2009, the White House released President Obama’s long-awaited Stimulus Package. As released, the latter had been transformed into the American Reinvestment and Recovery Plan. The American economy is in the midst of a crisis unlike any we have seen in our lifetime. The economy lost 2.6 million jobs in 2008, the most of any year since World War II. Manufacturing activity is at its lowest level in twenty-eight years. Consumer spending is declining and confidence is at historic lows. Many experts believe unemployment could reach double digits if no action is taken.

In light of this historic economic weakness, President Obama is working with Congress to enact an American Reinvestment and Recovery Plan, a nationwide effort to create jobs and transform our economy to compete in the 21st century. The plan invests in clean energy, health care, education and infrastructure; cuts taxes for American families and businesses; and helps protect the most vulnerable families from economic harm during the recession. This plan will also break from conventional Washington approaches to spending by ensuring that public dollars are invested effectively and that the economy recovery package is fully transparent and accountable to the American people. Overall, the plan will:

- **Create or save 3 to 4 million jobs over the next two years.** Independent analyses by Macroeconomic Advisers and Economy.com have confirmed that the recovery plan will meet this job goal. Jobs created will be in a range of industries from clean energy to health care, with over 90 per cent in the private sector.

- **Spend out at least 75 per cent of the package in the first 18 months after passage.** By including major fast-spending provisions like tax cuts for middle class families, measures to avoid state health care cuts, and temporary expansions of unemployment insurance, food stamps and health care for unemployed workers, the package will spend out at least 75 per cent of its total commitment within the first 18 months after passage. The Administration will work with Congress to refine this package to ensure that it meets this 75 per cent goal.

Several additional features should be noted:

- The \$820 billion estimated cost is stated as the minimum. Apparently, if the Projects to be undertaken eventually require additional Spending, the funds would be provided.
- The Plan has a two-year Horizon. However, at least 75 per cent of the funds allocated would be spent within 18 months.
- The primary Goal of the Plan is to create or save 4 million jobs.
- Frequently asked questions about the Plan that are: (1) Which projects will be pursued first? (2) How much will be spend on each of them? (3) How many jobs will be created by each type of spending?
- Answers: Those projects that benefit people – by easing the adverse effects of the recession – will be acted on very early. They will receive also a large amount of funding. Other projects will follow in descending order and on a lagged time schedule. However, at least a “down payment” will be made on each of the High Priority initiatives.
- The three Programs listed under Taxes and Benefits illustrate these points. In addition; Unemployment Insurance (UI) Benefits would be extended and expanded. For instance, the Unemployment Compensation (EUC) Program will be extended through December, 2009. States will be provided financial incentives to modernize their UI Benefits Systems.
- In the case of Health Care, the number of Programs which combat a Chronic Disease (such as Obesity, Smoking, and Other Health Risks) will be increased from nearly 100 to over 800 Prevention Programs around the Nation.
- Under Education, college affordability will be greatly enhanced. About seven million students will benefit by funding the shortfall in their Pell Grants and by raising the maximum award by \$500. About 4 million students

will receive a new Higher Education Tax Cut. Added funding will prevent teacher layoffs and Education Cuts in every State.

- Under the Plan, the Federal Government will make the largest Infrastructure Investment in the improvement of the Nation’s Roads, Bridges, and Mass Transit Systems since the creation of the National Highway System in the 1950’s. For the first time, millions of Americans will have new Mass Transit Options.
- Significant Federal Spending will be made to spur increased reliance on Renewable Energy through out the Nation’s Economy over three years. In particular, a Clean Energy Finance Initiative will be launched. It will seek to leverage \$100 billion in Private Sector Clean Energy Investments over three years.

Finally, additional observations should be noted:

- The Reinvestment and Recovery Plan adopted by President Obama will be the Centerpiece of American Domestic Economic Policy during the next two years. While the primary Goal is to create or save 3 million Jobs, the more basic aim is to effect a Fundamental transformation of the Structure and Functioning of the American Economy as a whole.

While the focus is mainly on improving the Economic Welfare of the Middle Class, the ultimate objectives are to achieve the maximum rate of Sustainable Economic Growth and a more Equitable Distribution of the Gains from National Economic Progress.

## **VI. ANALYTICAL NOTE**

In the **National Economic Report of Bermuda 2007**, the Ministry of Finance introduced a specially designed framework which was used to examine the Structure and Functioning of the Nation's Economy. For this year's Report, the model was modified, and data for 2007 were incorporated.

### **I. International Sector**

This sector includes International Business and Tourism. In the past, Tourism was the main source of support for the Bermuda Economy. For the last decade, International Business has taken the lead. The International sector has achieved the highest rate of growth of GDP, but Tourism still makes a major contribution to GDP. Viewed from an alternative perspective, these industries are the principal "bread winners" and "money earners." They are the exporters of financial services and the earners of foreign exchange. The latter—in turn—are the main sources of funds needed to pay for imports of goods and services on which Bermuda depends. The largest segments are Insurance, Investment Management, and Providers of other types of Financial Services.

### **II. Janus Sector**

Firms in this sector look "both ways"; they are truly "in the middle": they support both the International Sector and the Domestic Sector. The principal industry segments are Financial Intermediation and Business Services. Included in Financial Intermediation are Banks, Domestic Insurance Companies, and other types of Financial Institutions. Business Services include Accountants, Computer-Service Firms, Management Consultants, and Providers of other forms of Business Services.

### **III. Domestic Sector**

Firms and organizations in this sector are predominantly engaged in the production and distribution of goods and services for Households and Locally-oriented Businesses. These institutions provide Education; Health, Community, Social, and Welfare Work, and Personal Services. In the Private Market segment are found Goods Producing Industries. Among these are Construction; Agriculture, Forestry and Fishing; and Manufacturing. The Services Providing Industries include Electricity, Gas and Water; Wholesale and Retail Trade; Transportation and Communications; and Real Estate and Renting. Also within the Domestic Sector are the Social and Public Services segment. The latter include Education; Health and Social Work, Community, Personal Services; and Public Administration.

Essentially, the groupings immediately above constitute the Not-for-Profit Sector. However, they all compete, with profit-seeking firms, for employees in the same Bermuda Labour Market.

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**TABLE 1**

**STRUCTURE AND GROWTH OF THE BERMUDA ECONOMY  
GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN 2000, 2004, 2006 AND 2007  
(Thousands of Dollars)**

Industry Sectors	2000		2004		2006		2007	
	Level	Per cent Distribution	Level	Per cent Distribution	Level	Per cent Distribution	Level	Per cent Distribution
<b>INTERNATIONAL SECTOR</b>								
<b>I. International Business Activity</b>	631,751	20.22	919,749	25.57	1,165,284	28.12	1,321,149	30.31
International Business Activity	<b>434,926</b>	<b>13.92</b>	<b>728,970</b>	<b>20.27</b>	<b>935,740</b>	<b>22.58</b>	<b>1,090,854</b>	<b>26.32</b>
<b>II. Tourism Sector</b>	<b>196,825</b>	<b>6.30</b>	<b>190,779</b>	<b>5.30</b>	<b>229,544</b>	<b>5.54</b>	<b>230,295</b>	<b>5.28</b>
Hotels and Restaurants	196,825	6.30	190,779	5.30	229,544	5.54	230,295	5.56
<b>JANUS SECTOR</b>								
<b>1. Financial Services</b>								
Financial Intermediation	371,574	11.89	425,504	11.83	557,291	13.45	595,490	14.37
<b>2. Business Services Sector</b>	<b>275,163</b>	<b>8.81</b>	<b>300,457</b>	<b>8.35</b>	<b>327,034</b>	<b>7.89</b>	<b>341,460</b>	<b>7.83</b>
Business Activities	275,163	8.81	300,457	8.35	327,034	7.89	341,460	8.24
<b>DOMESTIC SECTOR</b>								
<b>I. PRIVATE MARKET SECTOR</b>	<b>1,394,001</b>	<b>44.61</b>	<b>1,465,795</b>	<b>40.76</b>	<b>1,586,748</b>	<b>38.29</b>	<b>1,583,481</b>	<b>36.33</b>
<b>GOODS PRODUCING</b>								
1. Construction and Quarrying	201,276	6.44	220,871	6.14	234,621	5.66	233,960	5.37
2. Agriculture, Forestry and Fishing	26,505	0.85	32,035	0.89	34,845	0.84	36,160	0.87
3. Manufacturing	75,774	2.43	59,932	1.67	63,523	1.53	57,146	1.38
<b>SERVICES PRODUCING</b>								
1. Electricity, Gas, and Water	73,183	2.34	75,416	2.01	74,225	1.79	72,660	1.75
2. Wholesale and Retail Trade	293,301	9.39	352,603	9.80	362,034	8.74	370,276	8.94
3. Transportation and Communications	232,739	7.45	237,344	6.60	252,578	6.01	269,796	6.51
4. Real Estate and Renting	491,223	15.72	487,594	13.56	564,922	13.63	543,483	13.12
<b>II. SOCIAL AND PUBLIC SERVICES SECTOR</b>	<b>452,155</b>	<b>14.47</b>	<b>484,838</b>	<b>13.48</b>	<b>507,621</b>	<b>12.25</b>	<b>517,488</b>	<b>11.87</b>
1. Education, Health and Social Work	207,879	6.65	238,019	6.62	241,617	5.83	246,673	5.95
2. Community, Social, and Personal Svces	98,871	3.16	76,408	2.12	82,867	2.00	75,162	1.81
3. Public Administration	145,405	4.65	170,411	4.74	183,137	4.42	195,653	4.72
Total	<b>3,124,644</b>	<b>100.00</b>	<b>3,596,343</b>	<b>100.00</b>	<b>4,143,978</b>	<b>100.00</b>	<b>4,359,068</b>	<b>100.00</b>
Adjustment for Unallocated Items*	16,193		(17,980)		(166,036)		(196,674)	
GDP at Constant Market Prices	<b>3,410,838</b>		<b>3,578,362</b>		<b>3,977,940</b>		<b>4,162,394</b>	

\* This is a net adjustment for imputed bank service charges and taxes on imports in the GDP accounts.

Source: Department of Statistics.

**TABLE 2**

**STRUCTURE AND GROWTH OF THE BERMUDA ECONOMY  
GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN  
2000, 2004, 2006 and 2007  
Per cent Changes**

Industry Sectors	Per cent Change			Per cent Change			Per cent Change			Per cent Change		
	2000-2004			2004-2006			2006-2007			2000-2007		
	Level	Per cent Distribution of Change	Annual Average % Change	Level	Per cent Distribution of Change	Annual Average % Change	Level	Annual Average % Change	Per Cent Distribution of Change	Level	Per cent Distribution of Change	Annual Average % Change
<b>INTERNATIONAL SECTOR</b>												
<b>I International Business Activity</b>	<b>347,974</b>	<b>73.77</b>	<b>8.97</b>	<b>338,557</b>	<b>61.82</b>	<b>12.86</b>	<b>193,313</b>	<b>89.88</b>	<b>6.09</b>	<b>686,531</b>	<b>67.35</b>	<b>10.54</b>
International Business Activity	29,044	62.34	12.91	206,770	37.76	12.49	155,114	72.12	7.67	500,814	49.13	13.14
<b>II Tourism Sector</b>	<b>-6,046</b>	<b>-1.28</b>	<b>-0.78</b>	<b>38,765</b>	<b>7.08</b>	<b>9.25</b>	<b>751</b>	<b>0.35</b>	<b>0.16</b>	<b>32,719</b>	<b>3.21</b>	<b>2.24</b>
Hotels and Restaurants	-6,046	-1.28	-0.78	38,765	7.08	9.25	751	0.35	0.16	32,719	3.21	2.24
<b>JANUS SECTOR</b>												
<b>1. Financial Services</b>												
Financial Intermediation	53,930	11.43	3.39	131,787	24.06	13.49	38,199	17.76	3.31	185,717	18.22	6.74
<b>2. Business Services Sector</b>	<b>25,294</b>	<b>5.36</b>	<b>2.20</b>	<b>26,577</b>	<b>4.85</b>	<b>4.24</b>	<b>14,426</b>	<b>6.71</b>	<b>2.16</b>	<b>51,871</b>	<b>5.09</b>	<b>3.08</b>
Business Activities	25,294	5.36	2.20	26,577	4.85	4.24	14,426	6.71	2.16	51,871	5.09	3.08
<b>DOMESTIC SECTOR</b>												
<b>I PRIVATE MARKET SECTOR</b>	<b>71,794</b>	<b>15.22</b>	<b>1.26</b>	<b>120,953</b>	<b>22.09</b>	<b>3.96</b>	<b>-3,267</b>	<b>-1.52</b>	<b>-0.10</b>	<b>192,747</b>	<b>18.91</b>	<b>1.82</b>
<b>GOODS PRODUCING</b>												
1. Construction and Quarrying	19,595	4.15	2.32	13,750	2.51	3.02	-661	-0.31	-0.14	33,345	3.27	2.15
2. Agriculture, Forestry and Fishing	5,530	1.17	4.74	2,810	0.51	4.20	1,315	0.61	1.85	8,340	0.82	4.44
3. Manufacturing	-15,842	-3.36	-5.86	3,591	0.66	2.91	-6,377	-2.96	-5.29	-12,251	-1.20	-4.03
<b>SERVICES PRODUCING</b>												
1. Electricity, Gas and Water	2,233	0.47	0.75	-1,191	-0.22	-0.80	-1,565	-0.73	-1.07	1,042	0.10	-0.10
2. Wholesale and Retail Trade	59,302	12.57	4.60	9,431	1.72	1.32	8,242	3.83	1.13	68,733	6.74	3.33
3. Transportation and Communications	4,605	0.98	0.49	15,234	2.78	3.11	17,218	8.01	3.30	19,839	1.95	2.11
4. Real Estate and Renting	-3,629	-0.77	-0.19	77,328	14.12	7.36	-21,439	-9.97	-1.93	73,699.00	7.23	1.44
<b>II SOCIAL AND PUBLIC SERVICES SECTOR</b>	<b>32,683</b>	<b>6.93</b>	<b>1.74</b>	<b>22,783</b>	<b>4.16</b>	<b>2.30</b>	<b>9,867</b>	<b>4.59</b>	<b>0.96</b>	<b>55,466</b>	<b>5.44</b>	<b>1.93</b>
1. Education, Health and Social Work	30,140	6.39	3.38	3,598	0.66	0.75	5,056	2.35	1.04	33,738	3.31	2.44
2. Community, Social, and Personal Services	-22,463	-4.76	-6.44	6,459	1.18	4.06	-7,705	-3.58	-4.88	-16,004	-1.57	-3.92
3. Public Administration	25,006	5.30	3.97	12,726	2.32	3.60	12,516	5.82	3.31	37,732	3.70	4.24
Total	471,699	100.00	3.51	547,635	100.00	7.09	215,090	100.00	2.53	1,019,334	100.00	4.76

Source: Department of Statistics

**TABLE 3**

**DISTRIBUTION OF BERMUDIAN EMPLOYMENT  
BY STATUS AND RACE  
2002 – 2007**

Year	Total Employment	Bermudian Status			Race		
		Bermudian	Non-Bermudian	Spouses and Permanent Residents	Black	White	Other Races
2002	37,815	27,722	8,294	1,799	20,743	13,420	3,652
2003	37,686	27,346	8,480	1,860	20,406	13,351	3,929
2004	38,363	27,443	8,694	2,226	20,522	13,518	4,323
2005	38,947	27,313	9,260	2,374	20,590	13,686	4,671
2006	39,686	27,356	9,813	2,517	20,747	13,941	4,998
2007	39,851	27,272	10,037	2,542	20,833	13,673	5,345

Source: Department of Statistics Employment Survey

**TABLE 4**

**PERCENTAGE DISTRIBUTION OF BERMUDIAN EMPLOYMENT  
BY STATUS AND RACE  
2002 – 2007**

Year	Total Employment	Bermudian Status			Race		
		Bermudian	Non-Bermudian	Spouses and Permanent Residents	Black	White	Other Races
2002	100.00	73.31	21.93	4.76	54.85	35.49	9.66
2003	100.00	72.56	22.50	4.94	54.15	35.43	10.43
2004	100.00	71.54	22.66	5.80	53.49	35.24	11.27
2005	100.00	70.13	23.78	6.01	52.87	35.14	11.99
2006	100.00	68.93	24.73	6.34	52.28	35.13	12.59
2007	100.00	68.43	25.19	6.38	52.28	34.31	13.41

Source: Department of Statistics Employment Survey (derived from Table 3 above)





**TABLE 6**

**OCCUPATIONAL DISTRIBUTION OF EMPLOYMENT AND AVERAGE INCOME  
BY RACE, 2006 AND 2007**

Occupation	2006				2007			
	National Economy		Other Races		National Economy		Other Races	
	Number	Average Salary	Number	Average Salary	Number	Average Salary	Number	Average Salary
Total	29,802	\$53,724	3,660	\$50,576	30,696	\$67,228	4,053	\$55,511
Admin. and Managerial	4,100	74,729	360	77,489	6,850	94,121	803	86,686
Prof. Tech. and Related	6,542	73,702	699	77,140	4,334	127,596	379	103,516
Prod. Trans. and Related	4,956	48,179	556	46,879	6,575	46,793	700	44,653
Clerical	6,373	44,789	655	42,411	1,704	55,241	195	51,449
Sales	1,634	43,618	158	41,722	5,798	33,643	1,263	33,019
Services	5,714	34,644	1,151	34,493	484	41,992	88	39,341
Agric. Animal, Fishing	483	39,578	81	38,914	4,951	50,237	625	47,502

Occupation	2006				2007			
	Black		White		Black		White	
	Number	Average Salary	Number	Average Salary	Number	Average Salary	Number	Average Salary
Total	16,247	\$49,086	9,895	\$62,504	16,731	\$51,693	9,912	\$98,240
Admin. and Managerial	1,459	76,739	2,281	73,007	2,983	70,706	3,064	118,865
Prof. Tech. and Related	2,825	71,333	3,018	75,122	1,581	88,622	2,374	157,395
Prod. Trans. and Related	3,087	44,942	1,313	56,338	4,553	45,197	1,322	53,420
Clerical	4,348	43,128	1,370	51,188	958	41,176	551	81,036
Sales	935	38,335	541	53,303	3,409	33,060	1,126	36,107
Services	3,426	33,643	1,137	37,814	179	44,207	217	41,240
Agric. Animal, Fishing	167	39,892	235	39,583	3,068	48,244	1,258	56,458

Source: Department of Statistics Employment Survey (special tabulation)

**TABLE 7**

**OCCUPATIONAL DISTRIBUTION OF EMPLOYMENT AND AVERAGE INCOME  
BY RACE, 2006 AND 2007  
(BENCHMARK PERCENTAGE ANALYSIS)**

Occupation	2006				2007			
	National Economy		Other Races		National Economy		Other Races	
	Number	Average Salary	Number	Average Salary	Number	Average Salary	Number	Average Salary
Total	100.00	100.00	12.28	94.14	100.00	100.00	13.20	82.57
Admin. and Managerial	13.76	139.01	8.78	103.69	22.32	140.00	11.72	92.10
Prof. Tech. and Related	21.95	137.19	10.68	104.66	14.12	189.80	8.74	81.13
Prod. Trans. and Related	16.63	89.68	11.22	97.30	21.42	69.60	10.65	95.43
Clerical	21.38	83.37	10.28	94.69	5.55	82.17	11.44	93.14
Sales	5.48	81.19	9.67	95.65	18.89	50.04	21.78	98.15
Services	19.17	64.49	20.14	99.56	1.58	62.46	18.18	93.69
Agric. Animal, Fishing	1.62	73.67	16.77	98.32	16.13	74.73	12.62	94.56

Occupation	2006				2007			
	Black		White		Black		White	
	Number	Average Salary	Number	Average Salary	Number	Average Salary	Number	Average Salary
Total	54.52	91.37	33.20	116.34	54.51	76.89	32.29	146.13
Admin. and Managerial	35.59	102.69	55.63	97.70	43.55	75.12	44.73	126.29
Prof. Tech. and Related	43.18	96.79	46.13	101.93	36.48	69.46	54.78	123.35
Prod. Trans. and Related	62.29	93.28	26.49	116.93	69.25	96.59	20.11	114.16
Clerical	68.23	96.29	21.50	114.29	56.22	74.54	32.34	146.70
Sales	57.22	87.89	33.11	122.20	58.80	98.27	19.42	107.32
Services	59.96	97.11	19.90	109.15	36.98	105.27	44.83	98.21
Agric. Animal, Fishing	34.58	100.79	48.65	100.01	61.97	96.03	25.41	112.38

Source: Table 6 in this Report

**TABLE 8**

**GLIMPSES AND INSIGHTS  
DISTRIBUTION OF EMPLOYMENT BY INDUSTRY AND RACE  
2000 AND 2007**

Industry Sector	2000				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races
<b>NATIONAL ECONOMY</b>	37,988	21,575	13,582	2,831	39,851	20,833	13,673	5,345
<b>International Sector</b>								
<b>International Business Activity</b>								
International Business	3,281	1,041	1,996	243	4689	1,433	2,692	564
Insurance Risk-Taking Activities	1,096	352	643	91	2027	610	1,217	200
<b>Tourism</b>	5,289	3,166	1,365	749	4810	2,372	1,131	1,307
Hotels	2,786	1,984	498	304	2497	1,549	465	483
Restaurants	1,834	779	680	375	1742	509	514	719
<b>Janus Sector</b>								
<b>Financial Intermediation</b>								
Commercial Banking	2,158	1,282	658	213	2133	1,266	598	269
<b>Business Services Sector</b>	3,627	1,525	1,873	229				
Accounting, auditing, tax consulting, etc.	609	174	393	42	877	228	484	165
Legal activities	815	353	418	44	831	330	409	92
Business and management consultancy activity	310	113	178	19	461	174	218	69
Computer Hardware Cons.	94	35	55	4	119	39	72	8
<b>Domestic Sector</b>								
<b>Goods Producing</b>								
Construction	2,683	1,576	919	143	3544	1,616	1,430	498
Manufacturing	1,229	660	472	97	935	468	332	135
<b>Services Producing</b>								
Wholesale and Retail Trade	5,174	2,880	2,000	294	286	202	61	23
<b>Social and Public Services</b>	2,820	1,646	1,051	123	3251	1,919	1,073	259
Social and Human Service								
Education Segments	743	303	392	47	903	371	453	79
Health Segments	1,731	1,074	598	57	1950	1,256	548	146
Social Work Segments	339	264	56	14	398	292	72	34
<b>Community, Social, and Personal Service</b>								
Sporting and Recreational Activities	461	200	240	31	451	214	185	62
Barber-Beauty Shops, etc.	375	176	187	12	312	185	105	22
<b>Public Administration</b>	4,310	3,404	742	164	4113	3,339	559	215
General ((Overall) Public Service Admin.	2,355	1,866	395	94	1115	925	112	78
Regulation of Agencies Providing Healthcare, Edu. etc.	549	461	78	10	1566	1,292	221	53
Regulation of and contribution of business ops.	339	240	72	27	284	191	72	21
Public Order and Safety	913	715	174	24	982	795	131	56

Source: Department of Statistics Employment Survey

**TABLE 9**

**SUMMARY EMPLOYMENT STATISTICS  
2002 – 2008**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Bermudians	27,716	27,346	27,443	27,313	27,356	27,272	27,100
Non-Bermudian spouses of Bermudians	1,801	1,860	1,940	1,963	1,992	1,942	1,957
Non-Bermudians	8,251	8,480	8,980	9,671	10,338	10,637	11,011
<b>Total</b>	<b>37,768</b>	<b>37,686</b>	<b>38,363</b>	<b>38,947</b>	<b>39,686</b>	<b>39,851</b>	<b>40,068</b>
<b>Percentage of jobs held by Non-Bermudians<sup>1</sup></b>	26.6	27.4	28.5	29.9	31.1	31.6	32.4
<b>Number of jobs Percentage change from previous year</b>							
Bermudians	(0.8)	(1.4)	0.4	(0.5)	0.2	(0.3)	(0.6)
Non-Bermudian spouses of Bermudians	4.5	3.4	4.3	1.2	1.5	(2.5)	0.8
Non-Bermudians	4.2	2.2	5.9	7.7	6.9	2.9	3.5

<sup>1</sup>Figure includes non-Bermudians and non-Bermudian spouses of Bermudians

P = Preliminary data

R = Revised

**Source: Department of Statistics Employment Survey**

**BERMUDA EMPLOYMENT, BY INDUSTRY AND RACE, 2000, 2004, 2006 AND 2007  
(BERMUDA-BRIMMER MATRIX)**

Industry Sectors	2000				2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
<b>NATIONAL ECONOMY</b>	<b>37,988</b>	<b>21,575</b>	<b>13,582</b>	<b>2,831</b>	<b>39,534</b>	<b>20,522</b>	<b>13,518</b>	<b>5,494</b>	<b>39,680</b>	<b>20,745</b>	<b>13,941</b>	<b>4,994</b>	<b>39,851</b>	<b>20,833</b>	<b>13,673</b>	<b>5,345</b>
<b>INTERNATIONAL SECTOR</b>																
<b>I. International Business Activity</b>	3,281	1,042	1,996	243	4,185	1,232	2,409	544	4,489	1,346	2,643	500	4,689	1,433	2,692	564
<b>A. Insurance Segment</b>																
(1) International Business, IBES	690	217	420	53	949	252	563	134	1,012	266	600	146	1,080	3	589	192
(a) Financial and related activities of IBES	1,096	362	643	91	1,597	435	943	219	1,814	536	1,109	169	2,027	610	1,217	200
(b) Insurance risk-taking activities of IBES	198	71	119	8	319	97	194	28	325	94	207	24	333	96	212	25
(c) Insurance brokerage activities of IBES	518	149	327	42	453	133	258	62	451	133	247	71	440	138	245	57
(d) Insurance management activities of IBES	175	52	107	16	141	39	85	17	239	61	157	21	208	52	134	22
(e) Insurance activities, nec, of IBES																
<b>II. Tourism Sector</b>																
<b>A. Hotels and Restaurants</b>	5,280	3,166	1,365	749	5,025	2,607	1,225	1,193	4,901	2,462	1,211	1,228	4,810	2,372	1,131	1,307
<b>B. Hotels and Other Accommodations</b>																
Hotels and members clubs	2,786	1,984	498	304	2,643	1,667	527	449	2,511	1,583	491	437	2,497	1,549	465	483
<b>C. Restaurants</b>	1,834	779	680	375	1,691	553	511	627	1,770	548	533	689	1,742	509	514	719
<b>JANUS SECTOR</b>																
<b>I. Financial Intermediation</b>																
<b>A. Domestic Providers of Financial Services</b>																
(a) Life insurance	120	74	38	8	50	39	8	-	40	27	9	-	40	25	6	9
(b) Non-life insurance	324	162	133	29	356	161	141	54	384	174	174	36	415	174	193	48
<b>B. Banking Segment</b>																
(1) Central banking	38	27	7	4	79	51	15	13	82	60	11	11	71	51	10	10
(2) Commercial banking	2,188	1,286	658	213	1,929	1,101	534	293	2,133	1,266	598	269	2,160	1,310	572	278
<b>II. Business Services Sector</b>																
(1) Accounting, auditing, tax consulting, etc.	3,627	1,525	1,873	229	3,852	1,463	1,865	524	4,091	1,575	2,034	482	4,091	1,575	2,034	482
(2) Legal activities	609	174	393	42	730	167	459	104	831	197	509	125	877	228	484	165
(3) Business and management consultancy activities	815	353	418	44	805	314	388	103	803	333	390	80	831	330	409	92
(4) Computer related activities	310	113	178	19	279	73	171	35	440	162	220	58	461	174	218	69
(a) Computer hardware consultancy	94	35	55	6	88	23	46	19	101	35	57	9	119	39	72	8
(b) Computer software publishing & consultancy	43	12	29	6	61	24	32	5	96	24	59	13	102	30	54	18
(c) Data processing	51	13	32	6	21	13	11	6	26	6	13	7	6	2	4	-
(d) Other computer related activities	11	6	204	22	15	13	244	-	11	7	-	-	15	10	4	1
(5) Building-cleaning and industrial cleaning	477	251	204	22	515	227	244	44	487	210	228	49	504	207	239	58
(6) Investigation and security activities	382	303	54	25	467	357	52	58	409	308	49	52	421	315	51	55

**TABLE 10**

**BERMUDA EMPLOYMENT, BY INDUSTRY AND RACE, 2000, 2004, 2006 AND 2007**  
(BERMUDA-BRIMMER MATRIX)

Industry Sectors	2000				2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
<b>DOMESTIC SECTOR</b>																
<b>I. PRIVATE MARKET SECTOR</b>																
<b>GOODS PRODUCING</b>																
<b>A. Agriculture, Forestry and Fishing</b>																
(1) Growing of crops, market gardening & horticulture	537	174	301	62	670	190	331	149	681	187	348	146	692	198	324	170
(2) Livestock rearing	105	45	52	8	111	39	47	25	103	38	44	21	98	37	39	22
(3) Landscape gardening	25	0	11	8	27	10	8	9	26	11	7	8	27	12	7	8
(4) Agricultural services	271	62	163	46	387	87	203	97	417	90	224	103	432	103	206	123
(5) Hunting, forestry, logging and fishing	25	0	17	0	19	15	15	0	23	0	17	0	26	2	18	6
	133	67	58	0	126	52	58	16	118	48	56	14	109	44	54	11
<b>B. Construction</b>																
(1) Total Activity	2,638	1,576	919	143	3,341	1,667	1,245	429	3,653	1,711	1,504	438	3,544	1,616	1,430	498
(2) Building of complete constructions	1310	767	461	82	1595	728	635	232	1773	713	818	242	1,568	595	736	237
(3) Building installation	772	499	242	31	842	495	255	92	993	555	326	112	1,031	571	330	130
(4) Building completion	497	287	184	26	776	397	290	89	751	396	287	68	805	400	294	111
<b>C. Manufacturing</b>																
(1) Total Activity	1,229	660	472	97	1,026	511	381	134	965	491	341	133	935	468	332	135
(2) Soft Drinks	137	103	18	16	108	79	15	14	115	85	14	16	110	82	12	16
(3) Newspapers, journals, and periodicals	201	98	93	10	202	106	79	17	194	101	78	15	202	102	85	15
(4) Concrete, cement, plaster	108	75	24	9	110	73	25	12	102	67	17	18	103	67	19	17
<b>SERVICES PRODUCING</b>																
<b>A. Electricity, Gas, and Water</b>																
	449	305	124	20	412	256	101	55	372	242	91	39	394	255	94	45
<b>Transportation Segment</b>																
(1) Land																
(a) Bus service activities of government authority	203	199	-	-	218	211	-	-	226	220	5	-	235	228	5	2
(b) Taxi, charter and tour bus service activities	568	494	58	16	582	514	43	25	529	472	42	15	456	407	34	15
(c) Freight transport by road	119	71	32	16	116	63	27	26	115	60	29	26	120	67	25	28
(2) Water transport by the private sector																
(a) Transport (Private)	60	12	44	4	58	21	28	9	57	25	26	6	52	22	26	4
(b) Marine and port service activities	143	118	24	1	151	121	20	10	157	133	18	6	162	134	22	6
(3) Airport transport																
(a) Scheduled	132	85	37	10	113	70	29	14	107	75	20	12	107	80	16	11
(b) Airport operation	42	37	5	-	45	33	-	8	48	34	7	7	43	31	5	7
<b>C. Communications</b>																
(1) National post activities	221	219	-	-	228	209	0	19	218	213	-	5	222	211	3	8
(2) Courier activities, other than national post activities	139	101	32	6	138	103	19	16	134	107	19	8	126	96	18	12

**BERMUDA EMPLOYMENT, BY INDUSTRY AND RACE, 2000, 2004, 2006 AND 2007**  
**(BERMUDA-BRIMMER MATRIX)**

Industry Sectors	2000				2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
(3) Telephone, telegraph, telex and internet comm.	741	545	170	26	748	484	188	76	670	454	164	52	652	456	143	53
(4) Transmission of radio and television programmes	93	64	25	133	80	38	15	143	97	31	15	138	97	32	9	
<b>D. Wholesale and Retail Trade</b>	<b>5,174</b>	<b>2,880</b>	<b>2,000</b>	<b>294</b>	<b>5,017</b>	<b>2,662</b>	<b>1,754</b>	<b>601</b>	<b>4,775</b>	<b>2,592</b>	<b>1,649</b>	<b>534</b>	<b>4,775</b>	<b>2,592</b>	<b>1,649</b>	<b>534</b>
(1) Sale of motor vehicles	298	210	69	19	260	176	61	23	288	203	62	23	286	202	61	23
(2) Wholesale of food, beverages, etc.	283	163	107	13	367	199	117	51	402	233	110	59	409	229	124	56
(3) Retail of textiles and clothing	970	602	330	38	734	432	244	58	570	336	197	37	627	376	205	46
(4) Retail sales of pharmaceuticals, cosmetics	232	144	83	5	226	141	63	22	183	108	57	18	178	110	53	15
<b>E. Real Estate and Renting</b>	<b>455</b>	<b>191</b>	<b>220</b>	<b>44</b>	<b>522</b>	<b>212</b>	<b>247</b>	<b>63</b>	<b>518</b>	<b>210</b>	<b>251</b>	<b>57</b>	<b>614</b>	<b>276</b>	<b>276</b>	<b>62</b>
<b>II. SOCIAL AND PUBLIC SERVICES SEGMENT</b>																
<b>I. Social and Human Services Sectors</b>																
A. Total 2,820	1,646	1,051	123	3,070	1,702	1,097	271	3,221	1,888	1,090	243	3,251	1,919	1,073	259	79C.
B. Education Segment	743	303	392	47	813	316	419	74	884	366	449	68	903	371	453	
C. Health Segment	1731	1074	598	57	1867	1097	616	151	1927	1202	574	144	1950	1256	548	146
D. Social Work Segment	339	264	56	14	388	289	56	39	410	316	66	27	398	292	72	34
<b>II. Community, Social, and Personal Services Sectors</b>																
A. Total	2,242	1,047	936	259	2,284	1,048	817	419	2,209	978	796	435	2,155	981	732	442
B. Religious organizations	230	159	64	7	242	175	49	18	222	163	45	14	224	165	43	16
C. Museums, historical sites, and buildings	51	19	28	4	57	15	32	10	49	12	30	7	49	12	29	8
D. Sporting and recreational activities	461	200	230	31	516	250	209	57	478	226	200	52	451	214	185	62
E. Barber, hair dressing, beauty shops	375	176	187	12	347	176	115	56	330	187	119	24	312	185	105	22
F. Private household, domestic services	645	208	251	186	619	169	231	219	678	152	224	302	657	156	208	293
<b>III. Public Administration Sector</b>																
A. Total 4,310	3,404	742	164	4,271	3,271	617	383	4,069	3,282	569	218	4,113	3,339	559	215	78
B. General (overall) public service activities	2,355	1,866	395	94	1,098	856	120	122	1,124	919	122	83	1,115	925	112	
C. Regulation of agencies providing health care, edu, etc.	549	461	78	10	1,654	1,305	254	95	1,541	1,262	228	51	1,566	1,292	221	53
D. Regulation of and contribution to business ops	339	240	72	27	303	190	66	47	283	195	66	22	284	191	72	21
E. Public order and safety activities	913	715	174	24	1,027	783	151	93	964	775	133	56	982	795	131	56

Source: The Bermuda Matrix is adapted from an industry-based analytical model created by Dr. Andrew Felton Brimmer. See "Widening Horizons: Prospects for Black Employment in the United States," Labor Law Journal, June 1974, pp 323-335.



**PERCENTAGE DISTRIBUTION OF BERMUDA EMPLOYMENT, BY INDUSTRY AND RACE, 2000, 2004, 2006 AND 2007  
(BERMUDA-BRIMMER MATRIX)**

Industry Sectors NATIONAL ECONOMY	2000				2004				2006				2007				
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races	
<b>INTERNATIONAL SECTOR</b>	<b>100.0</b>	<b>56.8</b>	<b>35.8</b>	<b>7.5</b>	<b>100.0</b>	<b>51.9</b>	<b>34.2</b>	<b>13.9</b>	<b>100.0</b>	<b>52.3</b>	<b>35.1</b>	<b>12.6</b>	<b>100.0</b>	<b>52.3</b>	<b>34.3</b>	<b>13.4</b>	
<b>I. International Business Activity</b>	100.0	31.8	60.8	7.4	100.0	29.4	57.6	13.0	100.0	30.0	58.9	11.1	100.0	30.6	57.4	12.0	
<b>A. Insurance Segment</b>	(1) International Business, IBES																
	(a) Financial and related activities of IBES	100.0	60.9	7.7	100.0	26.6	59.3	14.1	100.0	26.3	59.3	14.4	100.0	0.3	54.5	17.8	
	(b) Insurance risk-taking activities of IBES	100.0	58.7	8.3	100.0	27.2	59.0	13.7	100.0	29.5	61.1	9.3	100.0	30.1	60.0	9.9	
	(c) Insurance brokerage activities of IBES	100.0	60.1	4.0	100.0	30.4	60.8	8.8	100.0	28.9	63.7	7.4	100.0	28.8	63.7	7.5	
	(d) Insurance management activities of IBES	100.0	28.8	63.1	100.0	29.4	57.0	13.7	100.0	29.5	54.8	15.7	100.0	31.4	55.7	13.0	
	(e) Insurance activities, nec, of IBES	100.0	29.7	61.1	100.0	27.7	60.3	12.1	100.0	25.5	65.7	8.8	100.0	25.0	64.4	10.6	
<b>II. Tourism Sector</b>																	
<b>A. Hotels and Restaurants</b>	100.0	60.0	25.9	14.2	100.0	51.9	24.4	23.7	100.0	50.2	24.7	25.1	100.0	49.3	23.5	27.2	
<b>B. Hotels and Other Accommodations</b>	100.0	71.2	17.9	10.9	100.0	63.1	19.9	17.0	100.0	63.0	19.6	17.4	100.0	62.0	18.6	19.3	
<b>C. Restaurants</b>	100.0	42.5	37.1	20.4	100.0	32.7	30.2	37.1	100.0	31.0	30.1	38.9	100.0	29.2	29.5	41.3	
<b>JANUS SECTOR</b>																	
<b>I. Financial Intermediation</b>																	
<b>A. Domestic Providers of Financial Services</b>	(a) Life insurance	100.0	61.7	31.7	6.7	100.0	78.0	16.0	0.0	100.0	67.5	22.5	0.0	100.0	62.5	15.0	22.5
	(b) Non-life insurance	100.0	50.0	41.0	9.0	100.0	45.2	39.6	15.2	100.0	45.3	45.3	9.4	100.0	41.9	46.5	11.6
<b>B. Banking Segment</b>	(1) Central banking	100.0	71.1	18.4	10.5	100.0	64.6	19.0	16.5	100.0	73.2	13.4	13.4	100.0	71.8	14.1	14.1
	(2) Commercial banking	100.0	59.6	30.5	9.9	100.0	57.1	27.7	15.2	100.0	59.4	28.0	12.6	100.0	60.6	26.5	12.9
<b>II. Business Services Sector</b>	(1) Accounting, auditing, tax consulting, etc.	100.0	42.0	51.6	6.3	100.0	38.0	48.4	13.6	100.0	38.5	49.7	11.8	100.0	38.5	49.7	11.8
	(2) Legal activities	100.0	28.6	64.5	6.9	100.0	22.9	62.9	14.2	100.0	23.7	61.3	15.0	100.0	26.0	55.2	18.8
	(3) Business and management consultancy activities	100.0	43.3	51.3	5.4	100.0	39.0	48.2	12.8	100.0	41.5	48.6	10.0	100.0	39.7	49.2	11.1
	(4) Computer related activities	100.0	36.5	57.4	6.1	100.0	26.2	61.3	12.5	100.0	36.8	50.0	13.2	100.0	37.7	47.3	15.0
	(a) Computer hardware consultancy	100.0	37.2	58.5	0.0	100.0	26.1	52.3	21.6	100.0	34.7	56.4	8.9	100.0	32.8	60.5	6.7
	(b) Computer software publishing & consultancy	100.0	27.9	67.4	0.0	100.0	39.3	52.5	8.2	100.0	25.0	61.5	13.5	100.0	29.4	52.9	17.6

**TABLE 11**

**PERCENTAGE DISTRIBUTION OF BERMUDA EMPLOYMENT, BY INDUSTRY AND RACE, 2000, 2004, 2006 AND 2007  
(BERMUDA-BRIMMER MATRIX)**

Industry Sectors	2000				2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
<b>DOMESTIC SECTOR</b>																
<b>I. PRIVATE MARKET SECTOR</b>																
<b>GOODS PRODUCING</b>																
<b>A. Agriculture, Forestry and Fishing</b>																
(1) Growing of crops, market gardening & horticulture	100.0	32.4	56.1	11.5	100.0	28.4	49.4	22.2	100.0	27.5	51.1	21.4	100.0	28.6	46.8	24.6
(2) Livestock rearing	100.0	42.9	49.5	7.6	100.0	35.1	42.3	22.5	100.0	36.9	42.7	20.4	100.0	37.8	39.8	22.4
(3) Landscape gardening	100.0	0.0	44.0	32.0	100.0	37.0	29.6	33.3	100.0	42.3	26.9	30.8	100.0	44.4	25.9	29.6
(4) Agricultural services	100.0	22.9	60.1	17.0	100.0	22.5	52.5	25.1	100.0	21.6	53.7	24.7	100.0	23.8	47.7	28.5
(5) Hunting, forestry, logging and fishing	100.0	0.0	68.0	0.0	100.0	0.0	78.9	0.0	100.0	0.0	73.9	0.0	100.0	7.7	69.2	23.1
<b>B. Construction</b>																
(1) Total Activity	100.0	59.7	34.8	5.4	100.0	49.9	37.3	12.8	100.0	46.8	41.2	12.0	100.0	45.6	40.3	14.1
(2) Building of complete constructions	100.0	58.5	35.2	6.3	100.0	45.6	39.8	14.5	100.0	40.2	46.1	13.6	100.0	37.9	46.9	15.1
(3) Building installation	100.0	64.6	31.3	4.0	100.0	58.8	30.3	10.9	100.0	55.9	32.8	11.3	100.0	55.4	32.0	12.6
(4) Building completion	100.0	57.7	37.0	5.2	100.0	51.2	37.4	11.5	100.0	52.7	38.2	9.1	100.0	49.7	36.5	13.8
<b>C. Manufacturing</b>																
(1) Total Activity	100.0	53.7	38.4	7.9	100.0	49.8	37.1	13.1	100.0	50.9	35.3	13.8	100.0	50.1	35.5	14.4
(2) Soft Drinks	100.0	75.2	13.1	11.7	100.0	73.1	13.9	13.0	100.0	73.9	12.2	13.9	100.0	74.5	10.9	14.5
(3) Newspapers, journals, and periodicals	100.0	48.8	46.3	5.0	100.0	52.5	39.1	8.4	100.0	52.1	40.2	7.7	100.0	50.5	42.1	7.4
(4) Concrete, cement, plaster	100.0	69.4	22.2	8.3	100.0	66.4	22.7	10.9	100.0	65.7	16.7	17.6	100.0	65.0	18.4	16.5
<b>SERVICES PRODUCING</b>																
<b>A. Electricity, Gas, and Water</b>																
<b>B. Transportation Segment</b>																
(1) Land authority	100.0	67.9	27.6	4.5	100.0	62.1	24.5	13.3	100.0	65.1	24.5	10.5	100.0	64.7	23.9	11.4
(b) Taxi, charter and tour bus service activities	100.0	98.0	0.0	0.0	100.0	96.8	0.0	0.0	100.0	97.3	2.2	0.0	100.0	97.0	2.1	0.9
(c) Freight transport by road	100.0	87.0	10.2	2.8	100.0	88.3	7.4	4.3	100.0	89.2	7.9	2.8	100.0	89.3	7.5	3.3
(2) Water transport by the private sector	100.0	59.7	26.9	13.4	100.0	54.3	23.3	22.4	100.0	52.2	25.2	22.6	100.0	55.8	20.8	23.3
(a) Transport (Private)	100.0	20.0	73.3	6.7	100.0	36.2	48.3	15.5	100.0	43.9	45.6	10.5	100.0	42.3	50.0	7.7
(b) Marine and port service activities	100.0	82.5	16.8	0.7	100.0	80.1	13.2	6.6	100.0	84.7	11.5	3.8	100.0	82.7	13.6	3.7
(3) Airport transport	100.0	64.4	28.0	7.6	100.0	61.9	25.7	12.4	100.0	70.1	18.7	11.2	100.0	74.8	15.0	10.3
(a) Scheduled	100.0	88.1	11.9	0.0	100.0	73.3		17.8	100.0	70.8	14.6	14.6	100.0	72.1	11.6	16.3
(b) Airport operation																

**PERCENTAGE DISTRIBUTION OF BERMUDA EMPLOYMENT, BY INDUSTRY AND RACE, 2000, 2004, 2006 AND 2007  
(BERMUDA-BRIMMER MATRIX)**

Industry Sectors	2000				2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races	Black	White	Other Races	
<b>C. Communications</b>																
(1) National post activities	1000.0	99.1	0.0	0.0	1000.0	91.7	0.0	8.3	1000.0	97.7	0.0	2.3	1000.0	95.0	1.4	3.6
(2) Courier activities, other than national post activities	1000.0	72.7	23.0	4.3	1000.0	74.6	13.8	11.6	1000.0	79.9	14.2	6.0	1000.0	76.2	14.3	9.5
(3) Telephone, telegaph, telex and internet comm.	1000.0	73.5	22.9	3.5	1000.0	64.7	25.1	10.2	1000.0	67.8	24.5	7.8	1000.0	69.9	21.9	8.1
(4) Transmission of radio and television programmes	1000.0	68.8	26.9	0.0	1000.0	60.2	28.6	11.3	1000.0	67.8	21.7	10.5	1000.0	70.3	23.2	6.5
<b>D. Wholesale and Retail Trade</b>																
(1) Sale of motor vehicles	1000.0	55.7	38.7	5.7	1000.0	53.1	35.0	12.0	1000.0	54.3	34.5	11.2	1000.0	54.3	34.5	11.2
(2) Wholesale of food, beverages, etc.	1000.0	70.5	23.2	6.4	1000.0	67.7	23.5	8.8	1000.0	70.5	21.5	8.0	1000.0	70.6	21.3	8.0
(3) Retail of textiles and clothing	1000.0	57.6	37.8	4.6	1000.0	54.2	31.9	13.9	1000.0	58.0	27.4	14.7	1000.0	56.0	30.3	13.7
(4) Retail sales of pharmaceuticals, cosmetics	1000.0	62.1	34.0	3.9	1000.0	58.9	33.2	7.9	1000.0	58.9	34.6	6.5	1000.0	60.0	32.7	7.3
<b>E. Real Estate and Renting</b>	1000.0	62.1	35.8	2.2	1000.0	62.4	27.9	9.7	1000.0	59.0	31.1	9.8	1000.0	61.8	29.8	8.4
<b>II. SOCIAL AND PUBLIC SERVICES SEGMENT</b>	1000.0	42.0	48.4	9.7	1000.0	40.6	47.3	12.1	1000.0	40.5	48.5	11.0	1000.0	45.0	45.0	10.1
<b>I. Social and Human Services Sectors</b>																
<b>A. Total</b>	1000.0	58.4	37.3	4.4	1000.0	55.4	35.7	8.8	1000.0	58.6	33.8	7.5	1000.0	59.0	33.0	8.0
<b>B. Education Segment</b>	1000.0	40.8	52.8	6.3	1000.0	38.9	51.5	9.1	1000.0	41.4	50.8	7.7	1000.0	41.1	50.2	8.7
<b>C. Health Segment</b>	1000.0	62.0	34.5	3.3	1000.0	58.8	33.0	8.1	1000.0	62.4	29.8	7.5	1000.0	64.4	28.1	7.5
<b>D. Social Work Segment</b>	1000.0	77.9	16.5	4.1	1000.0	74.5	14.4	10.1	1000.0	77.1	16.1	6.6	1000.0	73.4	18.1	8.5
<b>II. Community, Social, and Personal Services Sectors</b>																
<b>A. Total</b>	1000.0	46.7	41.7	11.6	1000.0	45.9	35.8	18.3	1000.0	44.3	36.0	19.7	1000.0	45.5	34.0	20.5
<b>B. Religious organizations</b>	1000.0	69.1	27.8	3.0	1000.0	72.3	20.2	7.4	1000.0	73.4	20.3	6.3	1000.0	73.7	19.2	7.1
<b>C. Museums, historical sites, and buildings</b>	1000.0	37.3	54.9	7.8	1000.0	26.3	56.1	17.5	1000.0	24.5	61.2	14.3	1000.0	24.5	59.2	16.3
<b>D. Sporting and recreational activities</b>	1000.0	43.4	49.9	6.7	1000.0	48.4	40.5	11.0	1000.0	47.3	41.8	10.9	1000.0	47.5	41.0	13.7
<b>E. Barber, hair dressing, beauty shops</b>	1000.0	46.9	49.9	3.2	1000.0	50.7	33.1	16.1	1000.0	56.7	36.1	7.3	1000.0	59.3	33.7	7.1
<b>F. Private household, domestic services</b>	1000.0	32.2	38.9	28.8	1000.0	27.3	37.3	35.4	1000.0	22.4	33.0	44.5	1000.0	23.7	31.7	44.6
<b>IX. Public Administration Sector</b>																
<b>A. Total</b>	1000.0	79.0	17.2	3.8	1000.0	76.6	14.4	9.0	1000.0	80.7	14.0	5.4	1000.0	81.2	13.6	5.2
<b>B. General (overall) public service activities</b>	1000.0	79.2	16.8	4.0	1000.0	78.0	10.9	11.1	1000.0	81.8	10.9	7.4	1000.0	83.0	10.0	7.0
<b>C. Regulation of agencies providing health care, edu, etc .100.0</b>	1000.0	84	14.2	1.8	1000.0	78.9	15.4	5.7	1000.0	81.9	14.8	3.3	1000.0	82.5	14.1	3.4
<b>D. Regulation of and contribution to business ops</b>	1000.0	70.8	21.2	8.0	1000.0	62.7	21.8	15.5	1000.0	68.9	23.3	7.8	1000.0	67.3	25.4	7.4
<b>E. Public order and safety activities</b>	1000.0	78.3	19.1	2.6	1000.0	76.2	14.7	9.1	1000.0	80.4	13.8	5.8	1000.0	81.0	13.3	5.7

Source: The Bermuda Matrix is adapted from an industry-based analytical model created by Dr. Andrew Felton Brimmer. See "Widening Horizons: Prospects for Black Employment in the United States," Labor Law Journal, June 1974, pp 323-335.

**AVERAGE GROSS ANNUAL INCOME, BY INDUSTRY AND RACE, 2004, 2006 AND 2007**  
(BERMUDA-BRIMMER MATRIX)  
(DOLLARS)

Industry Sectors	2004					2006					2007				
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races			
<b>NATIONAL ECONOMY</b>															
<b>INTERNATIONAL SECTOR</b>															
<b>I. International Business Activity</b>	90,615	65,337	106,798	80,132	97,079	72,090	113,240	86,074	141,812	82,962	184,226	107,506			
<b>A. Insurance Segment</b>															
(1) International Business, IBEs	81,790	65,454	92,112	73,078	85,919	72,469	95,156	78,018	116,264	83,239	144,802	97,211			
(a) Financial and related activities of IBEs	103,386	71,551	121,319	91,511	107,199	75,988	124,345	97,635	164,249	86,961	210,311	129,765			
(b) Insurance risk-taking activities of IBEs	84,274	56,839	99,840	62,750	91,421	64,163	106,388	85,150	116,309	75,224	141,898	80,028			
(c) Insurance brokerage activities of IBEs	82,443	63,602	94,840	76,294	87,848	70,283	102,995	72,967	120,471	79,944	153,394	86,735			
(d) Insurance management activities of IBEs	91,600	67,750	109,794	65,455	110,189	78,091	125,881	99,600	198,024	91,219	265,360	117,675			
(e) Insurance activities, nec. of IBEs															
<b>II. Tourism Sector</b>															
<b>A. Hotels and Restaurants</b>	30,575	27,400	37,675	30,341	35,568	31,801	43,610	35,105	34,156	30,144	44,209	32,593			
<b>B. Hotels and Other Accommodations</b>															
(1) Hotels and members clubs	29,691	27,790	36,208	29,180	36,049	33,840	43,487	35,675	31,984	30,503	38,959	30,025			
(2) Cottages	31,152	27,425	42,244	30,136	33,367	28,658	43,462	32,769	34,474	28,746	47,869	33,549			
(3) Apartment hotels	30,441	32,000	25,286	31,000	31,600	30,857	34,200	32,250	27,429	30,150	22,500	18,750			
<b>C. Restaurants</b>															
(1) Restaurant, cafes, canteens and catering activities	32,159	25,520	38,962	31,297	35,602	25,866	44,461	35,101	38,564	31,227	49,823	34,645			
(2) Bars, nightclubs and other drinking places	33,396	11,400	36,083	34,500	31,403	13,125	35,914	30,789	21,750	4,680	31,355	29,813			
<b>JANUS SECTOR</b>															
<b>I. Financial Intermediation</b>															
<b>A. Domestic Providers of Financial Services</b>															
(a) Life insurance	61,333	55,500	110,000	102,000	58,344	49,625	84,667	84,000	63,431	54,818	127,167	63,000			
(b) Non-life insurance	62,972	49,830	80,471	52,966	71,517	55,925	89,314	62,657	100,520	67,216	138,228	75,968			
<b>B. Banking Segment</b>															
(1) Central banking	86,886	81,280	106,133	85,200	91,098	86,933	111,636	93,273	117,232	108,657	179,800	98,400			
(2) Commercial banking	59,901	50,842	79,371	57,978	62,274	52,591	82,923	61,944	68,113	57,113	95,466	63,667			
<b>II. Business Services Sector</b>															
(1) Accounting, auditing, tax consulting, etc.	77,424	54,048	85,343	79,156	84,957	62,417	95,969	74,872	104,561	70,000	129,932	79,705			
(2) Legal activities	77,289	61,605	89,865	77,542	83,829	68,569	97,258	80,347	113,690	80,257	143,374	103,799			
(3) Business and management consultancy activities	65,050	41,063	74,233	54,000	63,497	53,211	71,680	63,000	74,703	62,530	87,641	65,750			
(4) Architectural & engineering activities	69,900	54,818	73,917	61,500	69,056	61,371	71,875	57,500	67,425	57,790	71,017	58,875			
(5) Computer related activities	74,000	54,429	85,037	70,000	74,459	54,409	84,278	103,667	0	0	0	0			
(6) Advertising	66,462	50,571	74,250	62,000	63,000	48,000	70,696	49,500	56,222	45,667	63,177	33,000			
(7) Labour recruitment and provision of personnel	31,140	30,133	32,607	29,217	32,609	30,164	35,262	31,364	29,323	20,000	35,123	32,357			
(8) Building-cleaning and industrial cleaning	22,788	11,673	32,541	32,182	25,106	14,423	34,614	31,600	25,155	14,772	33,403	31,317			

**TABLE 12**

**AVERAGE GROSS ANNUAL INCOME, BY INDUSTRY AND RACE, 2004, 2006 AND 2007**  
**(BERMUDA-BRIMMER MATRIX)**  
**(DOLLARS)**

Industry Sectors	2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
(9) Investigation and security activities	26,120	24,421	37,532	27,000	30,634	29,112	40,326	31,235	35,241	33,642	44,348	36,333
(10) Other business activities, nec	34,757	29,170	48,000	43,333	35,169	30,508	51,250	42,000	44,211	40,658	53,400	49,000
<b>DOMESTIC SECTOR</b>												
<b>I. PRIVATE MARKET SECTOR</b>												
<b>GOODS PRODUCING</b>												
<b>A. Agriculture, Forestry and Fishing</b>												
(1) Total Activity	41,795	37,071	42,777	42,167	43,100	39,405	44,156	42,980	46,317	45,000	51,833	38,100
(2) Growing of Crops, market gardening and horticulture					48,281	41,000	54,667	34,500	0	0	0	0
(3) Livestock rearing	45,162	39,600	49,286	40,000	0	0	0	0	46,456	34,941	50,609	44,891
(4) Landscape gardening	0	0	0	0	42,222	38,640	42,538	43,340	0	0	0	0
(5) Agricultural services	40,953	35,667	41,410	42,600	0	0	0	0	0	0	0	0
(6) Hunting, forestry, logging and fishing	0	0	0	0	0	0	0	0	0	0	0	0
<b>B. Construction</b>												
(1) Total Activity	56,079	50,232	62,271	55,022	57,077	50,879	62,940	54,867	57,984	51,790	64,807	53,183
(2) Site preparation private	51,222	50,550	52,200	44,500	53,092	50,250	55,020	48,000	52,065	47,000	54,000	48,000
(3) Building of complete constructions	56,405	49,746	62,553	56,042	57,388	51,152	61,778	56,983	57,854	50,955	62,188	58,186
(4) Building installation	57,576	52,014	67,278	52,622	57,803	51,033	71,263	49,523	61,246	55,366	77,125	44,200
(5) Building completion	51,675	45,429	55,811	56,824	53,036	47,234	55,803	57,200	50,741	41,821	58,165	51,419
<b>C. Manufacturing</b>												
(1) Total activity	47,069	41,534	63,824	39,000	49,607	42,840	66,744	44,045	55,005	46,138	77,446	47,000
(2) Dairy products	46,125	38,571	56,143	37,500	48,000	37,500	69,000	48,000	49,000	45,429	57,000	37,500
(3) Bakery products	33,420	31,875	60,000	32,531	36,196	36,214	46,500	35,500	35,820	35,813	46,500	35,156
(4) Malt Liquors	0	0	0	0	0	0	0	0	0	0	0	0
(5) Newspapers, journals, and periodicals	46,846	41,400	51,000	33,000	57,598	47,851	70,718	55,000	65,055	50,324	83,871	58,600
(6) Printing and printing services	53,574	45,436	62,740	50,000	56,232	50,429	63,000	54,000	57,972	53,692	63,400	60,000
(7) Manufacturing of plastic products	0	0	0	48,000	0	0	0	0	0	0	0	0
(8) Manufacturing of concrete, cement, plaster	55,238	49,333	79,619	48,000	51,898	47,682	82,143	43,833	54,338	49,682	78,219	49,941
(9) Manufacturing of furniture	24,750	25,091	0	21,000	34,393	29,167	40,875	55,500	32,250	31,714	33,000	0
<b>SERVICES PRODUCING</b>												
<b>A. Electricity, Gas, and Water</b>												
(1) Electricity	60,747	55,618	75,632	60,682	63,440	58,302	79,159	62,211	77,455	66,399	115,007	69,682
(2) Water	52,455	44,100	65,308	0	56,057	47,217	73,000	0	57,844	47,250	75,500	0
<b>B. Transportation</b>												
(1) Land Transportation												
(a) Bus service activities of government authority	58,280	58,479	48,000	58,000	54,226	54,395	46,800	54,000	59,821	60,053	51,600	54,000
(b) Freight transport by road	47,280	42,000	54,000	48,000	46,839	42,000	63,000	45,474	47,613	42,000	72,000	45,000
(2) Water transport by the private sector												
(a) Marine and port service activities	49,084	47,174	62,842	39,000	51,173	50,571	58,235	44,500	50,815	50,687	53,318	44,500

**AVERAGE GROSS ANNUAL INCOME, BY INDUSTRY AND RACE, 2004, 2006 AND 2007**  
**(BERMUDA-BRIMMER MATRIX)**  
**(DOLLARS)**

Industry Sectors	2004					2006					2007				
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races			
<b>C. Communications</b>															
(1) National post activities	44,225	44,211	0	45,000	43,968	43,845	0	49,200	45,270	45,100	62,000	43,500			
(2) Courier activities, other than national post activities	40,609	37,406	60,105	35,769	43,571	40,337	63,333	39,429	39,100	34,337	65,824	37,636			
(3) Telephone, telegraph, telex and internet comm.	62,893	58,039	75,061	68,292	63,668	58,220	79,000	68,625	67,298	62,221	87,376	62,267			
(4) Transmission of radio and television programmes	40,732	39,405	48,483	26,667	39,816	38,826	42,625	41,000	41,033	38,655	52,560	32,000			
<b>D. Wholesale and Retail Trade</b>															
(1) Total activity	40,668	34,117	53,488	38,092	43,194	36,127	57,405	40,729	45,215	37,196	62,078	40,866			
(2) Sale of motor vehicles	40,668	34,117	53,488	38,092	43,194	36,127	57,405	40,729	45,215	37,196	62,078	40,866			
(3) Maintenance and repair of motor vehicles	44,913	41,466	56,052	42,818	47,671	44,254	61,143	44,739	48,653	44,400	66,352	44,087			
(4) Wholesale of food, beverages, etc.	60,333	47,400	63,273	0	53,235	29,143	70,821	60,000	51,500	31,889	71,464	45,600			
(5) Retail sales of automotive fuel	49,811	40,887	67,577	45,980	49,904	40,338	71,099	49,056	59,077	46,991	86,818	51,118			
(6) Retail sale (non-specialized stores), w/ food, bev. or tob.	26,369	26,596	40,800	18,429	30,711	31,159	34,059	23,625	31,940	32,705	39,692	25,269			
(7) Other retail stores in non-specialized stores	35,049	28,327	49,301	32,124	36,339	28,726	52,863	33,191	36,055	29,560	48,955	36,030			
(8) Retail sale of beverages, not consumed on the spot	27,395	27,469	26,250	28,500	31,000	36,600	28,000	26,250	31,615	27,429	33,750	42,000			
(9) Retail sales of pharmaceuticals, cosmetics	43,804	35,816	61,827	42,333	43,012	36,226	60,725	43,688	44,209	33,816	67,762	54,375			
(10) Retail of textiles and clothing	39,799	33,059	57,783	46,154	43,821	37,738	56,000	54,273	45,397	41,340	56,753	45,250			
(11) Retail sale of household appliances, articles, equip	32,870	28,129	41,388	28,406	32,280	26,453	41,467	28,565	34,965	26,698	49,806	28,543			
(12) Retail sale of hardware, paints, glass & other const. mtl's.	45,986	45,045	49,877	37,167	48,959	47,955	51,976	44,308	48,605	48,284	50,270	46,500			
(13) Retail sale of computers office eqpt stationary, photo, opt.	44,096	37,475	55,397	41,464	46,831	39,359	59,412	47,885	51,813	41,903	69,494	51,346			
(14) Repair of personal and household goods	53,863	40,986	65,144	51,462	57,768	45,919	68,426	53,600	64,983	52,164	78,790	53,379			
<b>E. Real Estate and Renting</b>															
(1) Real estate act. of govt. auth. with own or leased property	39,857	37,500	48,000	43,500	41,100	39,375	46,000	54,000	40,500	40,125	42,000	0			
(2) Real estate activities on a fee or contract basis	57,484	54,429	79,714	55,385	62,176	60,237	78,000	63,333	64,161	61,500	92,000	68,182			
<b>II. SOCIAL AND PUBLIC SERVICES SEGMENT</b>															
<b>I. Social and Human Services Sectors</b>															
<b>A. Total</b>	86,191	78,455	84,163	109,250	73,282	55,259	81,656	94,889	85,364	55,290	109,444	113,208			
<b>B. Education Segment</b>															
(1) Primary education provided by private institutions	51,928	46,817	60,455	56,920	57,106	58,255	66,771	60,453	0	0	0	0			
(2) Secondary education provided by private institutions	46,274	42,677	49,378	45,600	51,692	46,737	59,093	38,700	39,802	32,571	47,085	42,667			
(3) Higher education provided by government authority	66,154	61,388	68,047	62,000	70,609	65,637	72,653	0	72,973	66,741	75,263	68,566			
	69,984	68,442	76,957	68,526	77,321	75,337	86,571	66,536	80,804	79,217	91,200	77,625			

**AVERAGE GROSS ANNUAL INCOME, BY INDUSTRY AND RACE, 2004, 2006 AND 2007  
(BERMUDA-BRIMMER MATRIX)  
(DOLLARS)**

Industry Sectors	2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
<b>C. Health Segment</b>												
(1) Government hospital activities	48,617	45,618	55,219	55,203	56,028	52,147	66,718	64,010	59,838	55,383	74,506	67,793
(2) Private medical and dental practice activities	65,115	63,375	65,231	82,667	58,155	52,323	66,200	48,000	54,680	49,429	66,152	28,000
(3) Other private human health activities	59,333	48,000	66,889	48,000	58,000	48,000	68,857	46,000	79,133	45,000	108,625	46,000
<b>D. Social Work Segment</b>												
(1) Social work activities w/ accommodation (govt)	43,082	41,897	66,000	0	44,224	43,421	90,000	0	40,642	40,412	90,000	3,000
(2) Social work activities w/ accommodation (private)	28,748	28,152	38,100	24,000	29,296	30,573	22,579	26,000	27,585	28,008	25,500	26,455
(3) Social work activities w/out accommodation (govt)	65,250	65,250	0	0	58,895	59,833	42,000	0	61,588	61,588	0	0
(4) Social work activities w/out accommodation (private)	0	0	0	0	46,385	45,300	54,000	42,000	33,882	33,429	34,636	33,667
<b>II. Community, Social, and Personal Services Sectors</b>												
<b>A. Total Activity</b>	41,221	39,754	43,298	38,579	42,463	41,585	44,395	39,405	42,337	41,258	46,054	36,529
<b>B. Business organizations</b>	45,500	44,000	47,100	42,000	30,522	21,429	34,071	37,500	56,293	56,267	69,000	40,000
<b>C. Trade union organizations</b>	55,304	55,909	42,000	0	64,200	64,200	0	0	66,833	66,833	0	0
<b>D. Museums, historical sites, and buildings</b>	40,114	43,333	36,000	47,143	43,182	41,571	40,950	52,500	46,909	48,429	44,526	51,857
<b>E. Sporting and recreational activities</b>												
(1) Government	45,224	42,563	58,500	44,667	45,516	42,261	60,900	45,000	47,262	45,300	58,125	48,857
(2) Private	35,794	31,360	40,265	36,300	36,288	29,955	42,479	34,875	33,745	25,541	43,210	28,909
<b>F. Barber, hairdressing, beauty shops</b>	40,684	34,174	44,792	31,200	37,596	29,206	42,561	37,875	39,789	32,377	48,292	37,875
<b>G. Washing, dry-cleaning, etc.</b>	24,450	7,000	31,929	0	28,000	9,000	31,167	0	31,500	26,357	37,500	31,500
<b>H. Private household, domestic services</b>	0	0	0	0	28,200	0	25,000	29,571	0	0	0	0
<b>III. Public Administration Sector</b>												
<b>A. Total Activity</b>	57,490	56,333	64,249	56,059	59,652	58,255	68,520	57,880	60,858	59,551	70,366	56,660
<b>B. General (overall) public service activities</b>	50,538	48,622	64,075	52,859	55,180	52,501	74,136	59,250	60,351	58,093	81,427	58,737
<b>C. Regulation of agencies providing health care, edu, etc</b>	63,009	62,393	66,157	63,222	62,895	62,203	66,430	64,467	62,467	61,899	66,606	59,151
<b>D. Regulation of and contribution to business ops</b>	57,961	55,385	67,150	53,667	59,514	58,371	65,371	52,091	60,983	59,951	66,000	52,200
<b>E. Supporting service activities for the govt</b>	67,200	63,962	88,800	60,857	72,308	68,200	97,000	64,000	70,430	65,864	94,714	64,000
<b>F. Defence activities</b>	58,974	54,200	76,714	78,000	61,300	53,125	94,000	0	56,226	47,400	93,000	0
<b>G. Public order and safety activities</b>	55,013	54,450	58,470	52,884	58,606	57,934	65,165	52,145	57,946	56,961	66,481	51,911

Source: The Bermuda Matrix is adapted from an industry-based analytical model created by Dr. Andrew Felton Brimmer. See "Widening Horizons: Prospects for Black Employment in the United States," Labor Law Journal, June 1974, pp 323-335.

**PERCENTAGE DISTRIBUTION OF AVERAGE GROSS ANNUAL INCOME,  
BY INDUSTRY AND RACE, 2004, 2006 AND 2007  
(BERMUDA-BRIMMER MATRIX)**

Industry Sectors <b>NATIONAL ECONOMY INTERNATIONAL SECTOR</b>	2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
<b>I. International Business Activity</b>	100.0	72.1	117.9	88.4	100.0	74.3	116.6	88.7	100.0	58.5	129.9	75.8
<b>A. Insurance Segment</b>												
(1) International Business, IBES	100.0	80.0	112.6	89.3	100.0	84.3	110.8	90.8	100.0	71.6	124.5	83.6
(a) Financial and related activities of IBES	100.0	69.2	117.3	88.5	100.0	70.9	116.0	91.1	100.0	52.9	128.0	79.0
(b) Insurance risk-taking activities of IBES	100.0	67.4	118.5	74.5	100.0	70.2	116.4	93.1	100.0	64.7	122.0	68.8
(c) Insurance brokerage activities of IBES	100.0	77.1	115.0	92.5	100.0	80.0	117.2	83.1	100.0	66.4	127.3	72.0
(d) Insurance management activities of IBES	100.0	74.0	119.9	71.5	100.0	70.9	114.2	90.4	100.0	46.1	134.0	59.4
(e) Insurance activities, nec, of IBES												
<b>II. Tourism Sector</b>												
<b>A. Hotels and Restaurants</b>	100.0	89.6	123.2	99.2	100.0	89.4	122.6	98.7	100.0	88.3	129.4	95.4
<b>B. Hotels and Other Accommodations</b>												
(1) Hotels and members clubs	100.0	93.6	121.9	98.3	100.0	93.9	120.6	99.0	100.0	95.4	121.8	93.9
(2) Cottages	100.0	88.0	135.6	96.7	100.0	85.9	130.3	98.2	100.0	83.4	138.9	97.3
(3) Apartment hotels	100.0	105.1	83.1	101.8	100.0	97.6	108.2	102.1	100.0	109.9	82.0	68.4
<b>C. Restaurants</b>												
(1) Restaurant, cafes, canteens and catering activities	100.0	79.4	121.2	97.3	100.0	72.7	124.9	98.6	100.0	81.0	129.2	89.8
(2) Bars, nightclubs and other drinking places	100.0	34.1	108.0	103.3	100.0	41.8	114.4	98.0	100.0	21.5	144.2	137.1
<b>JANUS SECTOR</b>												
<b>I. Financial Intermediation</b>												
<b>A. Domestic Providers of Financial Services</b>												
(a) Life insurance	100.0	90.5	179.3	166.3	100.0	85.1	145.1	144.0	100.0	86.4	200.5	99.3
(b) Non-life insurance	100.0	79.1	127.8	84.1	100.0	78.2	124.9	87.6	100.0	66.9	137.5	75.6
<b>B. Banking Segment</b>												
(1) Central banking	100.0	93.5	122.2	98.1	100.0	95.4	122.5	102.4	100.0	92.7	153.4	83.9
(2) Commercial banking	100.0	84.9	132.5	96.8	100.0	84.5	133.2	99.5	100.0	83.9	140.2	93.5
<b>II. Business Services Sector</b>												
(1) Accounting, auditing, tax consulting, etc.	100.0	69.8	110.2	102.2	100.0	73.5	113.0	88.1	100.0	66.9	124.3	76.2
(2) Legal activities	100.0	79.7	116.3	100.3	100.0	81.8	116.0	95.8	100.0	70.6	126.1	91.3
(3) Business and management consultancy activities	100.0	63.1	114.1	83.0	100.0	83.8	112.9	99.2	100.0	83.7	117.3	88.0
(4) Architectural & engineering activities	100.0	78.9	106.4	88.5	100.0	88.9	104.1	83.3	100.0	85.7	105.3	87.3
(5) Computer related activities	100.0	73.6	114.9	94.6	100.0	67.4	111.4	141.3	0.0	0.0	0.0	0.0
(6) Advertising	100.0	76.1	111.7	93.3	100.0	76.2	112.2	78.6	100.0	81.2	112.4	58.7
(7) Labour recruitment and provision of personnel	100.0	96.8	104.7	93.8	100.0	92.5	108.1	96.2	100.0	68.2	119.8	110.3
(8) Building-cleaning and industrial cleaning	100.0	51.2	142.8	141.2	100.0	57.4	137.9	125.9	100.0	58.7	132.8	124.5

**TABLE 13**



**PERCENTAGE DISTRIBUTION OF AVERAGE GROSS ANNUAL INCOME,  
BY INDUSTRY AND RACE, 2004, 2006 AND 2007  
(BERMUDA-BRIMMER MATRIX)**

Industry Sectors	2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
<b>DOMESTIC SECTOR</b>												
<b>I. PRIVATE MARKET SECTOR</b>												
<b>GOODS PRODUCING</b>												
<b>A. Agriculture, Forestry and Fishing</b>												
(1) Total Activity	100.0	88.7	102.3	100.9	100.0	91.4	102.5	99.7	100.0	97.2	111.9	82.3
(2) Growing of Crops, market gardening and horticulture	0.0	0.00	0.00	0.00	100.0	84.9	113.2	71.5	0.0	0.0	0.0	0.0
(3) Livestock rearing	100.0	87.68	109.13	88.57	0.0	0.0	0.0	0.0	100.0	75.2	108.9	96.6
(4) Landscape gardening	0.0	0.00	0.00	0.00	100.0	91.5	100.7	102.6	0.0	0.0	0.0	0.0
(5) Agricultural services	100.0	87.09	101.12	104.02	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(6) Hunting, forestry, logging and fishing	0.0	0.00	0.00	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>B. Construction</b>												
(1) Total Activity	100.0	89.6	111.0	98.1	100.0	89.1	110.3	96.1	100.0	89.3	111.8	91.7
(2) Site preparation private	100.0	98.7	101.9	86.9	100.0	94.6	103.6	90.4	100.0	90.3	103.7	92.2
(3) Building of complete constructions	100.0	88.2	110.9	99.4	100.0	89.1	107.6	99.3	100.0	88.1	107.5	100.6
(4) Building installation	100.0	90.3	116.9	91.4	100.0	88.3	123.3	85.7	100.0	90.4	125.9	72.2
(5) Building completion	100.0	87.9	108.0	110.0	100.0	89.1	105.2	107.9	100.0	82.4	114.6	101.3
<b>C. Manufacturing</b>												
(1) Total activity	100.0	88.2	135.6	82.9	100.0	86.4	134.5	88.8	100.0	83.9	140.8	85.4
(2) Dairy products	100.0	83.6	121.7	81.3	100.0	78.1	143.8	100.0	100.0	92.7	116.3	76.5
(3) Bakery products	100.0	95.4	179.5	97.3	100.0	100.0	128.5	98.1	100.0	100.0	129.8	98.1
(4) Malt Liquors												
(5) Newspapers, journals, and periodicals	100.0	88.4	108.9	70.4	100.0	83.1	122.8	95.5	100.0	77.4	128.9	90.1
(6) Printing and printing services	100.0	84.8	117.1	93.3	100.0	89.7	112.0	96.0	0.0	92.6	109.4	103.5
(7) Manufacturing of plastic products												
(8) Manufacturing of concrete, cement, plaster	100.0	89.3	144.1	86.9	100.0	91.9	158.3	84.5	100.0	91.4	143.9	91.9
(9) Manufacturing of furniture	100.0	101.4	0.0	84.8	100.0	84.8	118.8	161.4	100.0	98.3	102.3	0.0
<b>SERVICES PRODUCING</b>												
<b>A. Electricity, Gas, and Water</b>												
(1) Electricity	100.0	91.6	124.5	99.9	100.0	91.9	124.8	98.1	100.0	85.7	148.5	90.0
(2) Water	100.0	84.1	124.5	0.0	100.0	84.2	130.2	0.0	100.0	81.7	130.5	0.0
<b>B. Transportation Segment</b>												
(1) Land Transportation												
(a) Bus service activities of government authority	100.0	100.3	82.4	99.5	100.0	100.3	86.3	99.6	100.0	100.4	86.3	90.3

**PERCENTAGE DISTRIBUTION OF AVERAGE GROSS ANNUAL INCOME,  
BY INDUSTRY AND RACE, 2004, 2006 AND 2007  
(BERMUDA-BRIMMER MATRIX)**

	2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
<b>Industry Sectors</b>												
(b) Freight transport by road	100.0	88.8	114.2	101.5	100.0	89.7	134.5	97.1	100.0	88.2	151.2	94.5
(2) Water transport by the private sector												
(a) Marine and port service activities	100.0	96.1	128.0	79.5	100.0	98.8	113.8	87.0	100.0	99.7	104.9	87.6
(3) Airport Transport												
(a) Scheduled Air Transport	100.0	96.6	110.0	97.1	100.0	97.1	126.1	76.0	100.0	96.4	131.2	83.3
(b) Airport operation	100.0	88.1	175.8	119.7	100.0	90.8	137.1	106.3	100.0	94.3	130.9	103.0
(4) Cargo Handling	100.0	94.4	133.6	98.3	100.0	96.3	119.9	92.3	100.0	86.6	170.5	92.2
(5) Other Transport Activity									0.0	0.0	0.0	0.0
<b>C. Communications Segment</b>												
(1) National post activities	100.0	100.0	0.0	101.8	100.0	99.7	0.0	111.9	100.0	99.6	137.0	96.1
(2) Courier activities, other than national post activities	100.0	92.1	148.0	88.1	100.0	92.6	145.4	90.5	100.0	87.8	168.3	96.3
(3) Telephone, telegraph, telex and Internet comm.	100.0	92.3	119.3	108.6	100.0	91.4	124.1	107.8	100.0	92.5	129.8	92.5
(4) Transmission of radio and television programmes	100.0	96.7	119.0	65.5	100.0	97.5	107.1	103.0	100.0	94.2	128.1	78.0
<b>D. Wholesale and Retail Trade</b>												
(1) Total activity	100.0	83.9	131.5	93.7	100.0	83.6	132.9	94.3	100.0	82.3	137.3	90.4
(2) Sale of motor vehicles	100.0	83.9	131.5	93.7	100.0	83.6	132.9	94.3	100.0	82.3	137.3	90.4
(3) Maintenance and repair of motor vehicles	100.0	92.3	124.8	95.3	100.0	92.8	128.3	93.8	100.0	91.3	136.4	90.6
(4) Wholesale of food, beverages, etc.	100.0	78.6	104.9	0.0	100.0	54.7	133.0	112.7	100.0	61.9	136.8	88.5
(5) Retail sales of automotive fuel	100.0	82.1	135.7	92.3	100.0	80.8	142.5	98.3	100.0	79.5	147.0	86.5
(6) Retail sale (non-specialized stores), w/ food, bev. or tob.	100.0	100.9	154.7	69.9	100.0	101.5	110.9	76.9	100.0	102.4	124.3	79.1
(7) Other retail stores in non-specialized stores	100.0	80.8	140.7	91.7	100.0	79.1	145.5	91.3	100.0	82.0	135.8	99.9
(8) Retail sale of beverages, not consumed on the spot	100.0	100.3	95.8	104.0	100.0	118.1	90.3	84.7	100.0	86.8	106.8	132.8
(9) Retail sale of pharmaceuticals, cosmetics	100.0	81.8	141.1	96.6	100.0	84.2	141.2	101.6	100.0	76.5	153.3	123.0
(10) Retail of textiles and clothing	100.0	83.1	145.2	116.0	100.0	86.1	127.8	123.9	100.0	91.1	125.0	99.7
(11) Retail sale of household appliances, articles, equip	100.0	85.6	125.9	86.4	100.0	81.9	128.5	88.5	100.0	76.4	142.4	81.6
(12) Retail sale of hardware, paints, glass & other const. mtl.	100.0	98.0	108.5	80.8	100.0	97.9	106.2	90.5	100.0	99.3	103.4	95.7
(13) Retail sale of computers office eqpt stationery, photo, opt.	100.0	85.0	125.6	94.0	100.0	84.0	126.9	102.3	100.0	80.9	134.1	99.1
(14) Repair of personal and household goods	100.0	76.1	120.9	95.5	100.0	79.5	118.4	92.8	100.0	80.3	121.2	82.1
(14) Repair of personal and household goods	100.0	94.1	120.4	109.1	100.0	95.8	111.9	131.4	100.0	99.1	103.7	0.0
<b>B. Real Estate and Renting</b>												
(1) Real estate act. of govt. auth. with own or leased property	100.0	94.7	138.7	96.3	100.0	96.9	125.5	101.9	100.0	95.9	143.4	106.3
(2) Real estate activities on a fee or contract basis	100.0	91.0	97.6	126.8	100.0	75.4	111.4	129.5	100.0	64.8	128.2	132.6
<b>I. Social and Public Services Segment</b>												
<b>A. Total</b>	100.0	90.2	116.4	109.6	100.0	102.0	116.9	105.9	100.0	81.8	118.3	107.2
<b>B. Education Segment</b>												
(1) Primary education provided by private institutions	100.0	92.2	106.7	98.5	100.0	90.4	114.3	74.9	100.0	81.8	118.3	107.2

**PERCENTAGE DISTRIBUTION OF AVERAGE GROSS ANNUAL INCOME,  
BY INDUSTRY AND RACE, 2004, 2006 AND 2007  
(BERMUDA-BRIMMER MATRIX)**

Industry Sectors	2004				2006				2007			
	Total	Black	White	Other Races	Total	Black	White	Other Races	Total	Black	White	Other Races
<b>II. Community, Social, and Personal Services Sectors</b>												
<b>A. Total Activity</b>	100.0	96.4	105.0	93.6	100.0	97.9	104.5	92.8	100.0	97.4	108.8	86.3
<b>B. Business organizations</b>	100.0	96.7	103.5	92.3	100.0	70.2	111.6	122.9	100.0	100.0	122.6	71.1
<b>C. Trade union organizations</b>	100.0	101.1	75.9	0.0	100.0	100.0	0.0	0.0	100.0	100.0	0.0	0.0
<b>D. Museums, historical sites, and buildings</b>	100.0	108.0	89.7	117.5	100.0	96.3	94.8	121.6	100.0	103.2	94.9	110.5
<b>E. Sporting and recreational activities</b>												
(1) Government	100.0	94.1	129.4	98.8	100.0	92.8	133.8	98.9	100.0	95.8	123.0	103.4
(2) Private	100.0	87.6	112.5	101.4	100.0	82.5	117.1	96.1	100.0	75.7	128.0	85.7
<b>F. Barber, hairdressing, beauty shops</b>	100.0	84.0	110.1	76.7	100.0	77.7	113.2	100.7	100.0	81.4	121.4	95.2
<b>G. Washing, Dry-cleaning, etc.</b>	100.0	28.6	130.6	0.0	100.0	32.1	111.3	0.0	100.0	83.7	119.0	100.0
<b>H. Private household, domestic services</b>												
<b>III. Public Administration Sector</b>												
<b>A. Total Activity</b>	100.0	98.0	111.8	97.5	100.0	97.7	114.9	97.0	100.0	97.9	115.6	93.1
<b>B. General (overall) public service activities</b>	100.0	96.2	126.8	104.6	100.0	99.1	134.4	107.4	100.0	96.3	134.9	97.3
<b>C. Regulation of agencies providing health care, edu, etc</b>	100.0	99.0	105.0	100.3	100.0	98.9	105.6	102.5	100.0	99.1	106.6	94.7
<b>D. Regulation of and contribution to business ops</b>	100.0	95.6	115.9	92.6	100.0	98.1	109.8	87.5	100.0	98.3	108.2	85.6
<b>E. Supporting service activities for the govt</b>	100.0	95.2	132.1	90.6	100.0	94.3	134.1	88.5	100.0	93.5	134.5	90.9
<b>F. Defence activities</b>	100.0	91.9	130.1	132.3	100.0	86.7	153.3	0.0	100.0	84.3	165.4	0.0
<b>G. Public order and safety activities</b>	100.0	99.0	106.3	96.1	100.0	98.9	111.2	89.0	100.0	98.3	114.7	89.6

Source: The Bermuda Matrix is adapted from an industry-based analytical model created by Dr. Andrew Felton Brimmer. See "Widening Horizons: Prospects for Black Employment in the United States," Labor Law Journal, June 1974, pp 323-335.

**TABLE 14**

**GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN 2002– 2007  
(AT CONSTANT MARKET PRICES) 1996 = 100  
\$000**

<b>INDUSTRIAL SECTIONS</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
01 Agriculture, forestry and fishing	28,169	30,011	32,035	32,440	34,845	36,160
03 Manufacturing	70,223	57,363	59,932	58,875	63,523	57,146
04 Electricity, gas and water supply	82,488	76,497	75,416	72,197	74,225	72,660
05/02 Construction & Quarrying	177,330	205,107	220,871	257,273	234,621	233,960
06 Wholesale and retail, repair services	324,996	331,749	352,603	361,523	362,034	370,276
07 Hotels and restaurants	205,742	192,132	190,779	208,037	229,544	230,295
08 Transport and communications	229,353	230,924	237,344	247,723	252,578	269,796
09 Financial intermediation	383,571	402,500	425,504	487,627	557,291	595,490
10 Real estate and renting activities	475,575	481,560	487,594	535,439	564,922	543,483
11 Business activities	293,089	291,615	300,457	314,933	327,034	341,460
12 Public administration	155,219	164,120	170,411	175,044	183,137	195,653
13 Education, health and social work	236,403	239,985	238,019	237,760	241,617	246,673
14 Comm., social and personal services	77,513	76,874	76,408	78,079	82,867	75,162
15 International business activity	642,683	670,807	728,970	785,515	935,740	1,090,854
<b>Total</b>	<b>3,378,354</b>	<b>3,450,645</b>	<b>3,596,343</b>	<b>3,852,466</b>	<b>4,143,976</b>	<b>4,359,069</b>
Less: Imputed bank service charge	195,501	174,930	207,769	281,346	359,723	394,906
Add: Taxes and duties on imports	173,203	177,503	189,789	198,281	193,687	198,232
<b>GDP at market prices</b>	<b>3,356,055</b>	<b>3,453,218</b>	<b>3,578,360</b>	<b>3,769,401</b>	<b>3,977,940</b>	<b>4,162,394</b>
Per cent change from previous year	4.8	2.9	3.6	5.3	5.5	4.6

Source: Department of Statistics

**TABLE 15**

**GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN 2002 – 2007**  
**(AT CURRENT \$ MARKET PRICES)**  
**\$000**

<b>INDUSTRIAL SECTIONS</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
01 Agriculture, forestry and fishing	31,319	34,407	37,858	39,025	46,389	45,038
03 Manufacturing	84,077	71,565	78,134	80,210	90,004	85,017
04 Electricity, gas and water supply	83,442	81,607	80,414	79,989	89,896	92,470
05/02 Construction & Quarrying	209,826	247,405	272,807	324,235	307,958	322,523
06 Wholesale and retail, repair serv.	340,692	359,300	391,093	375,616	399,731	423,952
07 Hotels and restaurants	240,354	229,765	234,633	274,211	299,012	315,967
08 Transport and communications	276,206	264,683	269,820	287,246	289,477	322,407
09 Financial intermediation	449,168	486,810	533,369	623,556	739,183	822,954
10 Real estate and renting activities	598,861	635,172	668,148	756,901	825,047	821,734
11 Business activities	333,627	371,304	397,273	437,101	505,530	550,842
12 Public administration	184,554	200,987	218,082	234,093	254,712	285,726
13 Education, health and social work	267,230	282,040	292,152	311,444	327,700	353,790
14 Comm., social and personal serv.	94,551	94,587	99,496	105,356	116,786	113,692
15 International business activity	764,148	821,493	932,894	1,050,496	1,301,453	1,593,049
<b>Total</b>	<b>3,958,056</b>	<b>4,181,125</b>	<b>4,505,174</b>	<b>4,979,478</b>	<b>5,592,878</b>	<b>6,149,162</b>
Less: Imputed bank service charge	226,448	209,276	257,670	359,636	475,019	543,525
Add: Import duties	188,241	196,994	216,072	231,305	234,444	249,742
<b>GDP at market prices</b>	<b>3,919,849</b>	<b>4,168,843</b>	<b>4,464,576</b>	<b>4,851,147</b>	<b>5,352,303</b>	<b>5,855,379</b>
Per cent change from previous year	7.1	6.4	7.1	8.7	10.3	9.4

**Source: Department of Statistics**

**TABLE 16****NUMBER OF FILLED JOBS BY ECONOMIC ACTIVITY GROUP 2004 – 2008**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007R</b>	<b>2008P</b>
Agriculture, forestry and fishing	645	643	692	697	718
Manufacturing	1,012	1,003	965	935	915
Electricity, gas and water supply	405	390	372	394	412
Construction & Quarrying	3,236	3,500	3,653	3,544	3,644
Wholesale and retail, repair serv.	4,910	4,692	4,775	4,754	4,708
Hotels and restaurants	4,888	5,069	4,901	4,810	4,938
Transport and communications	2,903	2,782	2,829	2,756	2,601
Financial intermediation	2,737	2,859	2,902	2,952	2,891
Real estate and renting activities	514	535	518	614	623
Business activities	3,715	3,871	4,091	4,187	4,259
Public administration	4,104	4,056	4,069	4,113	4,223
Education, health & social work	3,006	3,122	3,221	3,251	3,287
Comm., social and personal serv.	2,214	2,212	2,209	2,155	2,148
International business activity	4,074	4,213	4,489	4,689	4,701
<b>Total</b>	<b>39,363</b>	<b>38,947</b>	<b>39,686</b>	<b>39,851</b>	<b>40,068</b>

P = Preliminary data

R = Revised

**Source: Department of Statistics Employment Survey**

TABLE 17

## BERMUDA RETAIL SALES INDEX

Average Monthly Sales (1)  
2006=100

Period	Total Retail Stores		Food Stores (2)		Liquor Stores (3)		Motor Vehicle Stores		Service Stations		Building Material Stores		Apparel Stores		All Other Store Types	
<b>2004</b>	<b>89.0</b>	+8.3	<b>85.7</b>	+7.7	<b>89.2</b>	+7.3	<b>83.3</b>	+8.2	<b>78.1</b>	+4.4	<b>83.0</b>	+17.5	<b>119.2</b>	+11.5	<b>87.3</b>	+2.7
<b>2005</b>	<b>96.2</b>	+8.2	<b>94.2</b>	+10.0	<b>96.6</b>	+8.2	<b>101.6</b>	+22.0	<b>89.5</b>	+14.6	<b>93.5</b>	+12.6	<b>109.9</b>	-7.8	<b>93.0</b>	+6.5
<b>2006</b>	<b>100.0</b>	+3.9	<b>100.0</b>	+6.1	<b>100.0</b>	+3.6	<b>100.0</b>	-1.6	<b>100.0</b>	+11.7	<b>100.0</b>	+7.0	<b>100.0</b>	-9.0	<b>100.0</b>	+7.6
<b>2007</b>	<b>104.3</b>	+4.2	<b>106.3</b>	+6.3	<b>104.4</b>	+4.4	<b>96.0</b>	-5.0	<b>106.3</b>	+6.3	<b>96.8</b>	-3.5	<b>109.3</b>	+9.3	<b>105.9</b>	+6.0
<b>2006</b>																
Aug	100.2	+3.1	99.6	+2.3	108.9	+10.0	102.1	-13.9	105.1	+6.7	96.6	+6.7	95.1	+15.3	101.9	+6.2
Sep	101.6	+6.8	104.4	+8.8	108.0	+18.8	98.9	+4.7	110.9	+22.9	112.5	+0.3	94.9	+13.7	95.7	+1.4
Oct	99.0	+1.3	100.4	+1.1	78.3	-16.5	108.1	-2.4	104.1	+9.1	96.0	-15.5	94.4	+19.8	96.8	+4.5
Nov	101.2	+5.5	97.6	+2.9	96.2	+7.8	104.4	-3.3	95.9	+9.8	99.9	-6.1	100.3	+12.9	106.4	+14.1
Dec	122.7	+6.4	111.1	+6.7	139.5	+6.7	81.6	-16.5	97.5	+12.7	74.5	+6.4	210.2	+15.4	141.4	+8.1
<b>2007</b>																
Jan	93.7	+12.2	98.5	+8.9	76.2	+6.4	111.0	+24.0	92.3	+5.5	103.7	-0.1	71.5	+28.8	87.4	+14.2
Feb	84.6	-0.4	94.1	+8.7	79.7	+2.3	90.0	-21.8	86.9	+5.1	77.4	-5.9	63.2	+20.5	82.7	-3.1
Mar	102.3	+9.9	105.8	+8.9	93.1	+6.4	103.6	+4.5	100.8	+5.8	116.8	+6.9	95.2	+20.7	96.8	+13.2
Apr	97.4	+2.0	103.1	+1.6	97.5	-1.8	84.7	-11.2	108.9	+12.9	100.1	-3.7	92.8	+4.4	94.6	+7.8
May	108.8	+0.6	107.0	+5.7	109.9	+2.8	116.6	+4.8	114.9	+7.3	94.3	-30.4	115.2	+8.4	108.8	+3.1
Jun	110.0	+2.6	110.6	+8.0	117.4	+8.2	84.1	-17.5	112.8	+4.7	102.4	+12.1	128.6	+4.0	114.6	+1.6
Jul	113.3	+9.8	112.8	+4.8	141.5	+19.9	106.5	+14.6	121.9	+10.5	105.8	+11.9	109.4	+9.7	117.3	+12.0
Aug	104.2	+4.0	106.5	+6.8	112.5	+3.4	92.2	-9.7	107.1	+1.9	96.6	+0.0	106.3	+11.8	107.6	+5.6
Sep	102.1	+0.5	107.6	+3.1	98.8	-8.5	87.5	-11.5	109.7	-1.1	86.3	-23.3	105.0	+10.6	105.5	+10.2
Oct	106.2	+7.3	110.7	+10.3	84.0	+7.3	107.4	-0.6	111.8	+7.4	105.2	+9.5	98.3	+4.2	105.0	+8.5
Nov	103.1	+1.9	102.2	+4.7	100.2	+4.2	87.1	-16.6	102.4	+6.8	99.1	-0.8	112.3	+12.0	109.4	+2.7
Dec	124.0	+1.1	116.4	+4.8	142.4	+2.1	69.4	-15.0	106.7	+9.5	70.6	-5.3	214.1	+1.9	142.8	+1.0
<b>2008</b>																
Jan	92.5	-1.3	103.9	+5.5	75.9	-0.4	85.6	-22.9	100.4	+8.7	96.4	-7.0	72.1	+0.9	88.6	+1.4
Feb	91.4	+8.0	101.9	+8.2	84.6	+6.2	86.1	-4.3	99.3	+14.3	86.2	+11.4	69.3	+9.8	91.2	+10.2
Mar	100.9	-1.4	110.4	+4.3	98.9	+6.2	96.7	-6.7	111.7	+10.8	94.1	-19.4	90.8	-4.6	96.8	-0.1
Apr	105.8	+8.6	112.5	+9.1	95.3	-2.2	96.7	+14.2	120.4	+10.5	109.0	+8.9	97.6	+5.3	101.6	+7.4
May	110.6	+1.6	117.1	+9.4	116.3	+5.8	88.3	-24.3	125.5	+9.2	102.2	+8.3	116.2	+0.9	109.7	+0.8
Jun	111.3	+1.2	112.8	+2.0	112.4	-4.3	92.3	+9.8	126.6	+12.2	96.4	-5.9	129.0	+0.3	112.6	-1.7
Jul	116.6	+2.9	124.7	+10.6	156.4	+10.5	106.8	+0.3	140.9	+15.6	96.3	-9.0	103.9	-5.1	117.1	-0.2
Aug	107.4	+3.1	118.4	+11.2	110.5	-1.8	82.7	-10.3	127.9	+19.4	96.0	-0.6	101.3	-4.6	107.8	+0.3
Sep	102.3	+0.2	113.1	+5.1	98.6	-0.3	94.3	+7.8	119.0	+8.5	86.4	+0.1	93.6	-10.8	99.5	-5.7
Oct	105.9	-0.3	121.5	+9.8	84.9	+1.1	93.9	-12.5	118.3	+5.8	94.6	-10.1	91.9	-6.5	102.9	-2.0
Nov	102.7	-0.4	110.9	+8.6	101.9	+1.6	76.0	-12.7	100.3	-2.1	94.8	-4.3	102.2	-9.0	108.5	-0.8

(1) Includes household supplies but excludes alcoholic beverages.

(2) Does not include sales to bars, clubs, hotels and restaurants.

(3) Index numbers are subject to revisions

\* The yearly series reflect annual changes

Source: Department of Statistics

TABLE 18

## BERMUDA CONSUMER PRICE INDEX

APRIL 2006 = 100										
	All Items	Food	Rent	Clothing & Footwear	Tobacco & Liquor	Fuel & Power	Household Goods, Services & Communications	Transport & Vehicles	Education, Recreation & Reading	Health & Personal Care
<b>2004 WEIGHT</b>	1000	146	325	37	20	30	140	139	71	92
<b>ANNUAL AVERAGE (%)</b>										
<b>2003</b>	+3.2	+2.0	+1.8	+1.9	+1.4	+4.8	+2.2	+4.5	+5.8	+7.0
<b>2004</b>	+3.6	+2.5	+2.2	+1.9	+5.2	+1.9	+1.6	+4.0	+6.2	+9.1
<b>2005</b>	+3.1	+3.0	+2.8	+2.1	+2.6	+5.6	+1.4	+5.1	+5.1	+2.4
<b>2006</b>	+3.1	+2.0	+3.9	+3.3	+2.1	+9.5	+1.4	+1.2	+3.8	+5.7
<b>2007</b>	+3.8	+3.5	+2.6	+0.2	+1.9	+5.5	+2.2	+6.6	+4.8	+6.8
<b>2008</b>	+4.8	+5.6	+2.4	+2.7	+9.3	+31.8	+2.6	+3.9	+5.1	+6.6
<b>MONTHLY (%)</b>										
<b>2006</b>										
Sept	+0.5	+0.5	+0.3	-0.1	+0.4	+0.7	+0.4	Nil	+2.6	Nil
Oct	-0.3	+0.3	+0.1	+2.8	Nil	-2.1	+0.2	-3.4	Nil	+0.5
Nov	-0.1	+0.2	+0.2	Nil	-0.2	-9.9	Nil	+0.9	+0.1	Nil
Dec	+0.6	+0.1	+0.2	Nil	-0.2	Nil	-0.2	+3.9	+0.3	+0.1
<b>2007</b>										
Jan	-0.2	+1.0	+0.2	-2.7	+0.1	+0.1	Nil	-2.0	Nil	+0.1
Feb	+0.7	+0.5	+0.1	+0.1	Nil	-0.6	Nil	+4.0	+0.3	+0.1
Mar	+0.6	+0.3	+0.1	Nil	Nil	-0.7	Nil	+3.6	+0.3	+0.2
Apr	+0.4	+0.6	+0.1	+0.7	+0.5	+0.2	+1.6	-3.4	+0.1	+5.0
May	+0.9	-0.6	+0.1	Nil	Nil	+7.6	Nil	+5.4	+0.2	+0.2
June	+0.6	+1.1	+0.1	Nil	+0.1	+4.5	+0.4	+1.0	+0.3	+0.2
July	+0.3	-0.2	+0.2	+2.3	Nil	+1.9	+0.1	+0.9	Nil	Nil
Aug	Nil	-0.2	+0.1	Nil	+0.4	+4.6	Nil	-2.1	+0.4	+0.1
Sept	+0.2	+0.6	+0.3	Nil	+0.1	+1.5	+0.3	-1.7	+2.4	Nil
Oct	+0.3	+0.4	+0.1	-4.9	+0.1	Nil	+0.1	+1.9	Nil	+0.5
Nov	+0.4	+0.1	+0.2	+0.2	+0.5	+1.5	-0.1	+1.5	+0.2	+0.1
Dec	-0.5	-0.7	+0.2	Nil	+1.1	+4.6	Nil	-4.5	+0.1	Nil
<b>2008</b>										
Jan	+0.1	+1.5	+0.2	-0.6	+1.0	+0.1	+0.1	-1.3	-0.1	-0.1
Feb	+0.2	+0.4	+0.2	Nil	-0.2	+2.8	+0.1	-0.2	-0.1	Nil
Mar	+1.3	+0.5	+0.2	Nil	+2.8	+1.2	Nil	+7.6	+0.8	+0.1
Apr	+1.5	+1.0	+0.4	+7.3	+2.9	Nil	+1.0	+2.5	+0.1	+5.1
May	+0.3	-0.1	+0.3	Nil	+1.1	+2.0	-0.1	+0.4	+0.3	+0.2
June	+0.3	+1.5	+0.1	Nil	+0.4	+0.4	+0.5	-0.5	Nil	+0.4
July	+0.5	Nil	+0.3	-0.2	Nil	+8.9	+0.7	Nil	+0.2	+0.1
Aug	+0.3	+1.0	+0.3	Nil	+0.5	Nil	+0.6	-0.4	Nil	+0.1
Sept	+1.1	+0.4	+0.1	Nil	+0.5	+14.0	+0.3	-0.1	+4.4	+0.3
Oct	Nil	+2.0	+0.2	+1.1	+0.2	Nil	+0.1	-3.4	+0.6	+0.6
Nov	Nil	+0.4	+0.2	Nil	+0.9	-0.1	+0.1	-1.1	+0.5	Nil
Dec	-0.7	+0.1	+0.3	Nil	0.5	-3.5	-2.7	-2.7	+0.2	Nil
<b>Dec '08</b>	<b>110.5</b>	<b>113.9</b>	<b>107.3</b>	<b>106.2</b>	<b>116.4</b>	<b>158.4</b>	<b>103.9</b>	<b>103.3</b>	<b>116.4</b>	<b>115.8</b>
<b>Dec '08</b>	<b>+4.9</b>	<b>+9.1</b>	<b>+2.6</b>	<b>+7.7</b>	<b>+11.2</b>	<b>+27.3</b>	<b>+0.6</b>	<b>+0.4</b>	<b>+7.0</b>	<b>+6.9</b>

Source: Department of Statistics



**TABLE 19**

**MAJOR CONSTRUCTION PROJECTS<sup>1</sup>**  
**ESTIMATED VALUE OF WORK PUT IN PLACE DURING PERIOD**  
**\$ MILLIONS**

		Type of Project						Sector			
		Value Of New Projects Started	Residential	Offices, Shops, Warehouses, etc.	Hotels, Guest houses, etc.	Schools, Hospitals, Community Centres, etc.	Roads, Bridges, Airports, etc.	Industrial Plant and Other	Total	Public	Private
<b>2004</b>		285.9	66.8	83.2	31.6	35.6	7.7	6.3	231.3	47.8	183.5
<b>2005</b>		59.6	69.5	80.9	76.0	59.9	9.1	2.6	298.0	64.0	234.0
<b>2006</b>		143.9	63.8	63.8	109	18.5	8.2	9.5	277.3	30.5	246.9
<b>2007</b>		184.5	109.0	60.2	135.8	16.3	0.9	8.0	330.2	63.2	266.8
<b>2004</b>	Q1	29.6	9.9	14.5	17.6	15.1	0.9	0.2	58.2	17.3	40.9
	Q2	40.7	12.2	22.7	2.6	8.7	1.6	1.5	49.3	9.3	40.0
	Q3	111.4	24.6	32.3	0.3	5.1	3.5	1.3	67.1	13.4	53.7
	Q4	104.2	20.1	13.7	11.1	6.7	1.8	3.3	56.7	7.8	48.9
<b>2005</b>	Q1	0.9	16.4	27.1	15.6	9.6	1.8	0.7	71.2	11.7	59.5
	Q2	45.3	16.2	24.4	15.6	22.9	2.1	0.7	81.9	20.8	61.0
	Q3	7.0	21.7	15.9	22.2	12.9	3.1	0.6	76.4	15.5	60.9
	Q4	6.4	15.2	13.5	22.6	14.5	2.1	0.6	68.5	16.0	52.6
<b>2006</b>	Q1	19.9	17.1	16.4	27.4	5.3	2.1	0.7	69.0	6.7	62.4
	Q2	41.9	19.7	16.2	30.7	5.9	2.4	0.5	75.4	8.3	67.
	Q3	63.2	14.6	16.8	28.7	5.2	1.2	4.2	70.7	8.7	62.0
	Q4	18.9	16.9	14.4	22.2	2.1	2.5	4.1	63.2	6.8	55.4
<b>2007</b>	Q1	19.1	22.7	21.7	31.0	5.0	0.7	4.0	85.1	16.8	68.3
	Q2	61.3	36.0	13.7	29.4	4.0	0.1	2.0	85.2	14.7	70.4
	Q3	82.2	24.5	14.2	53.2	3.6	0.1	2.0	97.6	16.0	81.6
	Q4	21.2	25.8	10.6	22.2	3.7	0.0	0.0	62.3	15.7	46.5
<b>2008</b>	Q1	55.8	29.4	21.7	35.9	11.5	1.8	0.0	100.3	12.3	88.1
	Q2	54.7	21.9	35.1	22.3	17.5	8.8	0.0	105.6	15.8	89.8
	Q3	59.2	15.1	22.5	32.6	3.8	7.0	0.0	81.1	11.9	69.2

<sup>1</sup>Projects valued at \$0.5 million or more

Source: Department of Statistics

**TABLE 20**

**GROSS ADDITIONS TO THE STOCK OF RESIDENTIAL DWELLING UNITS  
NUMBER OF UNITS**

		<b>Studio apartments</b>	<b>One bedroom</b>	<b>Two bedroom</b>	<b>Three bedroom and over</b>	<b>Total units completed</b>
<b>2002</b>		34	72	73	63	242
<b>2003</b>		31	61	52	47	191
<b>2004</b>		35	90	80	58	263
<b>2005</b>		31	94	134	72	331
<b>2006</b>		30	83	111	80	304
<b>2003</b>						
	Q1	11	14	5	12	42
	Q2	8	12	12	5	37
	Q3	4	18	16	16	54
	Q4	8	17	19	14	58
<b>2004</b>						
	Q1	10	19	20	12	61
	Q2	11	25	22	16	74
	Q3	8	18	21	18	65
	Q4	6	28	17	12	63
<b>2005</b>						
	Q1	6	12	19	15	52
	Q2	9	21	22	15	67
	Q3	4	24	46	22	96
	Q4	12	37	47	20	116
<b>2006</b>						
	Q1	4	27	37	22	90
	Q2	4	16	20	17	57
	Q3	9	17	30	18	74
	Q4	13	23	24	23	83
<b>2007</b>						
	Q1	11	14	19	9	53
	Q2	10	16	53	24	103
	Q3	9	7	17	10	43

\* Data for the fourth quarter of 2007 and the entire year of 2008 are not available

Source: Department of Statistics

**TABLE 21**

**VISITOR ARRIVALS**

		Number of visitors			Year-on-year % changes		
		Regular Visitors <sup>1</sup>	Cruise Ship Visitors <sup>2</sup>	All Visitors	Regular Visitors	Cruise Ship Visitors	All Visitors
<b>2003</b>		256,575	226,097	482,672	-9.6	13.0	-0.3
<b>2004</b>		271,621	206,133	477,754	5.9	-8.8	-1.0
<b>2005</b>		269,568	247,259	516,827	-0.8	20.0	8.2
<b>2006</b>		299,018	335,998	635,027	10.9	35.9	22.9
<b>2007</b>		305,548	354,024	659,572	2.2	5.4	3.9
<b>2008</b>		291,431	286,408	577,839	-4.6	-19.1	-12.4
<b>2003</b>	Q1	37,691	136	37,827	-9.8	-76.8	-10.7
	Q2	93,399	75,691	169,090	-3.4	5.1	0.27
	Q3	82,219	116,821	199,040	-9.9	23.1	6.9
	Q4	43,267	33,449	76,716	-20.3	2.6	-11.7
<b>2004</b>	Q1	35,072	743	35,815	-7.0	545.3	-5.3
	Q2	88,674	76,365	165,039	-5.1	0.9	-2.4
	Q3	92,222	101,295	193,517	12.2	-13.3	-2.8
	Q4	55,653	27,730	83,383	28.6	-17.1	8.7
<b>2005</b>	Q1	39,415	497	39,912	12.4	-33.1	11.4
	Q2	92,105	82,773	174,878	3.9	8.4	6.0
	Q3	83,468	112,027	195,495	-9.5	10.6	1.0
	Q4	54,580	51,962	106,542	-1.9	87.4	27.8
<b>2006</b>	Q1	38,896	425	39,321	-1.3	-14.5	-1.5
	Q2	101,133	122,560	223,693	9.8	48.1	27.9
	Q3	96,653	164,467	261,120	15.8	46.8	33.6
	Q4	62,336	48,546	110,882	14.2	-6.6	4.1
<b>2007</b>	Q1	45,825	2,765	48,590	17.8	550.6	23.6
	Q2	99,594	130,304	229,898	-1.5	6.3	2.8
	Q3	97,875	175,148	273,023	1.3	6.5	4.6
	Q4	62,254	45,807	108,061	0.1	-6.2	-2.8
<b>2008</b>	Q1	41,729	2,799	44,528	-8.9	1.2	-8.4
	Q2	89,642	129,344	218,986	-10.0	-0.7	-4.7
	Q3	97,477	114,233	211,710	-0.4	-34.8	-22.5
	Q4	62,583	40,032	102,615	0.5	-12.6	-5.0

<sup>1</sup>Including those passengers arriving by ship and departing by air.

<sup>2</sup>Excluding passengers arriving by ship and departing by air.

Source: Department of Tourism

**TABLE 22**

<b>NUMBER OF BEDNIGHTS SOLD</b>							
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Large hotels	700,493	549,164	561,535	595,957	681,555	633,073	540,086
Small hotels	181,941	171,653	168,738	156,585	161,244	157,837	138,930
Cottage colonies	137,500	131,022	160,146	141,617	147,305	150,706	123,670
Private clubs	33,292	29,752	33,149	32,209	31,193	33,207	26,224
House-keeping cottages	92,899	88,987	100,970	94,797	109,228	112,351	93,274
Guest houses	12,507	6,298	11,388	7,758	11,033	10,833	8,062
Other	16,057	17,800	20,617	18,149	17,693	21,932	17,666
<b>Total commercial properties</b>	<b>1,174,689</b>	<b>994,676</b>	<b>1,056,543</b>	<b>1,047,072</b>	<b>1,159,251</b>	<b>1,119,939</b>	<b>947,912</b>
Private homes	646,291	601,744	674,924	679,588	770,426	774,333	727,725
Unallocated	1,189	1,257	1,699	1,931	1,759	3,389	3,230
<b>Total</b>	<b>1,822,169</b>	<b>1,597,677</b>	<b>1,733,166</b>	<b>1,728,591</b>	<b>1,931,436</b>	<b>1,897,661</b>	<b>1,678,867</b>
Percentage change (year-on-year)	2.6	-12.3	8.5	-0.3	11.7	-1.7	-11.5

Source: Department of Tourism

**TABLE 23**

**INTERNATIONAL BUSINESS REGISTRATIONS**

New registrations during period					Number on register at end-period					Year-on-year % change in total number of businesses on register
		Exempted Companies	Exempted Partnerships	Non-Resident <sup>2</sup> Entities	Total	Exempted Companies <sup>1</sup>	Exempted Partnerships	Non-Resident <sup>2</sup> Entities	Total <sup>1</sup>	
<b>2004</b>		1,078	74	31	1,169	12,418	562	593	13,573	0.5
<b>2005</b>		1,021	109	40	1,161	12,599	644	598	13,841	2.0
<b>2006</b>		1,084	167	55	1,296	12,861	804	582	14,247	2.9
<b>2007</b>		1,426	230	37	1,693	13,850	944	564	15,358	7.8
<b>2008</b>		1,032	133	40	1,205	13,411	1,177	598	15,186	-1.1
<b>2004</b>										
	<b>Q1</b>	272	31	16	307	12,349	537	603	13,489	0.5
	<b>Q2</b>	250	12	0	262	12,151	546	596	13,293	2.8
	<b>Q3</b>	262	12	3	277	12,301	551	590	13,456	1.1
	<b>Q4</b>	294	19	12	323	12,418	562	593	13,573	0.5
<b>2005</b>										
	<b>Q1</b>	258	24	13	293	12,624	582	593	13,799	2.3
	<b>Q2</b>	233	31	6	270	12,768	612	596	13,976	5.1
	<b>Q3</b>	251	24	6	279	12,517	632	592	13,741	2.1
	<b>Q4</b>	279	30	15	319	12,599	644	598	13,841	2.0
<b>2006</b>										
	<b>Q1</b>	289	23	13	325	12,788	660	599	14,047	1.8
	<b>Q2</b>	255	73	6	334	12,917	733	587	14,237	1.9
	<b>Q3</b>	252	19	5	276	13,146	752	592	14,490	5.5
	<b>Q4</b>	288	52	21	361	12,861	804	582	14,247	2.9
<b>2007</b>										
	<b>Q1</b>	252	41	11	304	13,097	839	566	14,502	3.2
	<b>Q2</b>	459	44	4	507	13,583	883	543	15,009	5.4
	<b>Q3</b>	277	42	11	330	13,314	841	554	14,709	1.5
	<b>Q4</b>	438	103	11	552	13,850	944	564	15,358	7.8
<b>2008</b>										
	<b>Q1</b>	246	20	10	276	14,001	964	574	15,539	7.2
	<b>Q2</b>	263	26	9	298	13,763	1,090	577	15,430	2.8
	<b>Q3</b>	305	43	11	359	13,741	1,133	588	15,462	5.1
	<b>Q4</b>	218	44	10	272	13,411	1,177	598	15,186	-1.1

<sup>1</sup>Net of companies in liquidation.

<sup>2</sup>Including overseas partnerships

Source: Registrar of Companies

**TABLE 24**

**THE BERMUDA INSURANCE MARKET  
\$ BILLIONS**

	<b>Gross premiums written</b>	<b>Net premiums written</b>	<b>Total assets</b>	<b>Capital and surplus</b>
<b>1983</b>	6.5	4.7	17.1	8.4
<b>1984</b>	7.6	5.4	22.2	9.9
<b>1985</b>	10.1	8.1	24.5	10.2
<b>1986</b>	12.4	10.4	30.9	12.5
<b>1987</b>	10.3	8.0	34.9	15.0
<b>1988</b>	11.1	8.4	38.7	14.4
<b>1989</b>	12.0	9.4	44.5	17.4
<b>1990</b>	13.0	10.1	48.0	18.2
<b>1991</b>	15.4	11.8	52.3	19.9
<b>1992</b>	15.1	11.3	58.8	21.9
<b>1993</b>	17.9	13.4	69.9	29.0
<b>1994</b>	18.8	14.9	76.1	29.8
<b>1995</b>	23.4	18.4	95.0	36.9
<b>1996</b>	25.1	19.8	99.9	42.5
<b>1997</b>	25.4	20.4	111.8	48.4
<b>1998</b>	26.6	21.2	116.4	51.2
<b>1999</b>	30.4	23.8	131.6	54.4
<b>2000</b>	38.1	32.0	146.0	59.2
<b>2001</b>	48.5	40.9	165.3	64.9
<b>2002</b>	63.3	52.3	204.0	75.6
<b>2003</b>	94.7	84.1	236.0	87.3
<b>2004</b>	95.3	82.9	290.5	106.7
<b>2005</b>	100.7	86.3	329.9	110.0
<b>2006</b>	115.8	100.4	440.4	157.8
<b>2007</b>	124.4	100.8	441.3	167.1

Source: Bermuda Monetary Authority's Statutory Financial Returns For All International Insurers

**TABLE 25**

**BALANCE OF PAYMENTS ESTIMATES  
\$ MILLIONS**

	2004	2005	2006	2007	2008*
Exports	73	49	25	25	20
Imports	988	985	1,094	1,091	880
Merchandise Trade Balance	-915	-936	-1,069	-1,066	-860
Services & Income – receipts	2,261	2,470	3,299	3,990	3,183
Services & Income- payments	845	881	1,246	1,611	1,163
Net invisible receipts	1,416	1,589	2,053	2,379	2,020
Transfer (net)	-160	-176	-7	39	2
Current account balance	341	477	977	1,353	1,163
Capital & Financial Account					
Net Financial Account Balances					
Direct Investment	801	11	-318	576	-101
Portfolio Investments	-884	-188	409	479	-278
Other Investment	-50	15	1,287	-281	-864
Total Net Financial Account	-134	-162	1,378	774	-1,243
Total Net Capital Account	0	0	0	0	0
Total Net Reserve Assets	48	366	-10	-7	37
Total Capital, Financial Account & Reserve Assets	-85	204	1,368	767	-1,206
Balancing Item	-254	-682	-2,495	-2,120	44

\* 2008 Q1 – Q3 provisional estimates

Source: Department of Statistics